

WHAT “REALLY” HAPPENED IN NEW ORLEANS: A RESPONSE

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Tuesday, November 6, 2018

Education debates often draw strong reactions. Schools have responsibility for our children, and different policies are based on different world views, so this is natural. In the case of the New Orleans school reforms, the intensity is even stronger because they were sparked by the horrible human tragedy of Hurricane Katrina. All of this can make it difficult to have productive debates about how (and how well) the reforms have worked. At the [Education Research Alliance for New Orleans](#), we have produced more than two dozen policy briefs and a similar number of technical reports, trying to understand the reforms from many angles. Some of those reports have produced what are viewed as positive findings and others negative findings.

One report we released recently drew particular attention. Matthew Larsen and I co-authored the report, *The Effects of the New Orleans Schools Reforms on Student Achievement, High School Graduation, and College Outcomes*. We found that the reforms have had positive and educationally meaningful effects on all the student outcomes we were able to measure and study. These findings generated considerable public discussion, and that, too, is understandable. If schools exist to serve students and prepare them for life success, then we should be especially interested in student outcomes.

While recognizing the many important perspectives on the reforms, we believe some of the interpretations and responses have been off base. Bruce Baker, a public finance expert and frequent charter school critic based at Rutgers University, wrote a [27-page rebuttal](#) to our study, *What Should We Really Learn from New Orleans After The Storm?* Carol Burris, the Director of the Network for Public Education, then wrote [an op-ed in the Washington Post](#) that largely echoed Baker’s points. We contacted the *Washington Post* to submit our response, and contacted Baker to try and clarify his concerns, but received no reply from either. Therefore, what follows is our response based on the words as written and as they seem intended.

Because the National Education Policy Center has published an [interview](#) about the NOLA study with one of us (Harris, who is an NEPC Fellow), and also published an [interview](#) with Baker about his rebuttal and [republished](#) the Burris *Washington Post* article (Baker and Burris are also NEPC Fellows), we reached out to NEPC to also publish this response.

The criticisms from Baker and Burris focus on whether we are really identifying the effects of the New Orleans school reforms or something else (what researchers would call internal validity). In contrast to these critics, David Leonhardt wrote about our article in *The New*

York Times and argued that the New Orleans evidence points to broad lessons that others should follow (an issue of external validity).

Below, we respond to all of these interpretations. We start with Baker since his piece is longer and more specific than the others. Below are his main arguments followed by our responses:

(1) “[T]he authors downplay the potential influence of significant changes in the concentration of poverty across neighborhoods and schools—specifically the reductions in extreme poverty which may contribute significantly to the improved student outcomes.”

RESPONSE: Poverty is the strongest predictor of student outcomes, so this is clearly an important topic that we would not downplay. The question is, what does the evidence say about poverty and its potential role in explaining our results? Baker brings up four different elements of poverty: the overall rate of poverty, the rate of extreme poverty, the concentration (segregation) of poverty in certain schools, and the concentration of poverty in certain neighborhoods. (Baker’s quote above and other parts of his discussion seem to conflate the “concentration of poverty” with “extreme poverty,” but we suspect that was an accident and we treat them separately below.)

Baker seems to agree with us that the rates of poverty and extreme poverty did not change in the city relative to neighboring districts. He writes, “The change is similar [to New Orleans] for the broader metropolitan area in Figure 4. Across the metropolitan area, the proportion of children in families at less than half the income threshold for poverty dropped from 19% to 14%.” This is important because we are estimating the effects of the reforms via a difference-in-differences method that compares the change in New Orleans to the change in the metropolitan area (specifically, the other hurricane-affected school districts). What his analysis and conclusion suggest is that the difference-in-differences on extreme poverty were small and probably did not have much influence on our results, which is the same conclusion we reached ourselves.

Baker also seems to agree with us that the concentration of poverty across schools increased somewhat (though it did not on most other demographic measures). Since his implicit assumption is that more segregation drags down average student outcomes, this evidence would seem to suggest that our estimates of the effects on student outcomes are too small, or perhaps that the reforms caused the increased school segregation and therefore represent a negative side effect.

But there is still the fourth aspect of poverty. Baker presents evidence that the concentration of *residential* poverty declined and suggests that this may have raised student outcomes, independently of the reforms. Residential segregation can be measured in many ways and not all yield the same result in New Orleans, but let us assume his numbers are right. In that case, the two forms of segregation—housing and schooling—moved in opposite directions in New Orleans. Further, he might be suggesting that residential segregation was caused by factors other than the reforms, offsetting the harm done by school segregation. But even in that case, it is important

to emphasize that average poverty, whether the federal definition or extreme poverty, is almost certainly a more important driver of *average* student outcomes than either form of segregation. Segregation is very important to be sure, especially for achievement gaps by student group, but does it have a significant influence on average student outcomes? He cites evidence that residential segregation matters, which we agree with, but not specifically about its effects on average outcomes. In short, if we have correctly inferred Baker's argument, the role of poverty could have made our results look more positive than they were—if the measures he is reporting should be believed over other measures and if re-arranging the same number of impoverished students in different neighborhoods significantly affected not only achievement gaps but average achievement levels.

In any event, the changes in the poverty and extreme poverty rates are clearly the larger drivers of average student outcomes and it does not appear even from his own evidence that this changed in a way that would alter our conclusions.

(2) “The authors argue, without evidence, that similar funding increases provided to the old, New Orleans school system would not likely have had a similar impact...”

RESPONSE: Here, he is referring to the increase in school spending in New Orleans that accompanied the reforms, which [we had previously documented](#) and studied extensively. The problem with this statement comes from the words “without evidence.” First, it is important to point out that, while there has been considerable debate about the New Orleans reforms, whether the pre-Katrina school system efficiently used its funds has never been a point of contention. Even the strongest critics of the reforms, those who had first-hand experience with the schools before Katrina, readily acknowledge the severe problems in the district at that time; we cited one of them in our paper. Additionally, we cited evidence on some of the more egregious examples of corruption and dysfunction. When Baker brought this up on social media before he released his response document, I also gave him a preview of some additional evidence that we will be releasing in the spring: that the “value-added” of the district was much lower in New Orleans than in the rest of the state pre-reforms, even though spending levels were above the state [median \(and just below the state average\)](#). That is, the district's state ranking on spending was much higher than its ranking on value-added; i.e., the district's efficiency in using funds was below average. (Given the prior concern about poverty, note also that value-added, or growth measures, account for poverty, directly and indirectly.)

So, in the pre-reform period, we have provided considerable evidence that resources were being used inefficiently. This is why we believe it is unlikely that the same infusion of funds to New Orleans, by itself, would not have generated the same improvements in student outcomes seen elsewhere. As we have also emphasized, however, the precise effect of the spending, when accompanied by the reforms, is difficult to gauge.

The other issue is that, to the degree the additional funding did matter, this is at least partially an effect of the reforms themselves. For example, the reforms improved perceptions of publicly funded schools in [polling data](#) and increased electoral support for funding in post-reform school millage elections. One of the great strengths of school districts over the past century has been their ability to garner support from citizens to contribute tax dollars. In this case, it also appears to be a strength of the New Orleans reforms.

(3) “...the authors sidestep the fact that much of the funding increase in the new system was allocated toward increased and duplicative overhead expenses...”

RESPONSE: There is no question about the facts here. We wrote an [entire report](#) documenting, for example, the rise in administrative and transportation costs and the decline in instructional spending in New Orleans. We did not raise this issue in our more recent report because we were studying *student outcomes*, not the intermediate outcomes Baker refers to. That is, we studied a change in governance that we refer to as market-based school reforms. No doubt, the reforms led to very different decisions in schools about their textbooks, curriculum, hiring, and, yes, the use of funding. These localized decisions are very important, of course, and changing those decisions is arguably the purpose of the reforms. But we do not need to study each of these specific intermediate decisions separately to estimate the net effects of the reforms as a whole on student outcomes. That would be impossible.

(4) “Each [school] operator – each school model – is in effect its own unique treatment. Adopting a portfolio managed choice system is not.”

RESPONSE: The implication of this statement is that the reforms as a whole cannot be studied—that we cannot say what effect they had. As indicated above, studying school governance is important because it changes the specific schooling decisions—textbooks, curriculum, spending, etc.—that Baker and we agree are so important. If we were to take Baker’s argument to its logical end, we would also have to conclude that it is impossible to study the effects of, for example, No Child Left Behind (NCLB), another package of reforms. Likewise, we would never be able to say whether private or charter schools generate more or less student improvement than traditional public schools because, in those cases, “each [school] operator...is its own treatment.” Studies of total school spending would also be irrelevant because how the money is used, and the effects of that spending, would vary by school operator. More relevant here, the implication is that there is no way to know whether the New Orleans reforms were effective or ineffective by any measure. Those supporting it could not say it succeeded with regard to student outcomes. Those critical of it could not say it failed.

While there are certainly some disadvantages to studying packages of reforms, there is also one big advantage in this case. The last quarter-century of school reform has been about test-based and market-based accountability, and school autonomy. However, it has been difficult to study these strategies because there have been essentially no examples where districts have adopted them both intensively and at scale. Before the New Orleans reforms, we had seen school choice operate in some districts, but

only with a small share of schools operating alongside traditional public schools; and even in these reform-oriented districts, accountability was limited. But what happens when essentially all schools are charter schools run by private non-profit organizations *and* essentially all school leaders have autonomy over personnel through reductions in union power and tenure protections *and* the government (charter authorizer) closes schools based on performance? What happens when these interconnected policies are allowed to operate over an entire decade? New Orleans is really the first place where we can provide some answers to these questions. Yes, this can be studied as a package and, really, they must be if we are going to understand how, and how well, these types of policies operate.

We are always looking for ways to improve our analysis and conclusions. The analysis of the New Orleans reforms is complicated, as the above discussion suggests, and perhaps more so than other policy experiments. However, based on what we can gather from what he wrote, we see no reason at this point to alter our original analysis or conclusions based on Baker's analysis.

Burris, in [her op-ed](#), echoes many of Baker's points and then takes his school spending arguments a step further. She argues that, during a panel discussion she and Harris both participated in, Harris spoke about the reforms "without mentioning the substantial increases in per-pupil spending that he found, nor the role that the increase may have played in the improved scores and other outcomes." The reality is that the final words on Harris's final slide about New Orleans were: "Some cautions though—*funding & scalability*" (italics added). We think it is fair to say that someone trying to side-step an issue would not make that issue the final word.

David Leonhardt had a very different take in his write-up of our study in [The New York Times](#). The subtitle was, "The New Orleans turnaround shows the power of giving more freedom to teachers and principals — and then holding them accountable for their performance." While not explicit, two aspects of this subtitle give us some pause. First, as noted above, it is difficult to say which specific element of the reforms generated the higher student outcomes. Leonhardt is right that that the strongest evidence is for the role of accountability—taking over most of the low-performing schools that initially started after the reforms [generated large gains](#) in student outcomes. But was "freedom to teachers and principals" the key? While it is certainly true that school leaders have more freedom now in New Orleans, [our research suggests](#) that *teachers* probably have a bit *less* freedom than before, because they have less job security. Either way, we cannot isolate the role that any change in freedom and autonomy played.

The subtitle of the *New York Times* article also suggests that the lessons of New Orleans generalize to other places. The words "the power of [fill in the blank]" suggests a general truth that can be applied broadly. So, setting aside the effectiveness of the reforms in New Orleans, there is the larger question, would these reforms be effective anywhere else? It will be difficult to know for sure until similar efforts are studied in other cities. However, there are reasons to be skeptical. As we continue to emphasize when discussing our findings, New Orleans was especially ripe for this type of reform. The district was failing badly in every observable way, and it is easier to improve from a low starting point. In the wake

of the hurricane, there was also a tremendous influx of teachers and reformers who wanted to aid in the rebuilding effort and be a part of this unique experiment. This missionary zeal, and first-mover advantage, is unlikely to be matched in other cities. This is why we are a bit skeptical of the idea that the New Orleans model will generate the same effects elsewhere.

The New Orleans experience is worthy of debate. It is a high-profile case of market-based school reform and inarguably one of the most successful examples. Those who support such reforms, in the face of modest success nationally, have latched on to New Orleans as evidence of the potential of this approach, while critics view it as a threat to the traditional school district model. Given the stakes, we have put great care into our analyses and how we interpret them. We also put our reports through an extensive peer review process, including review by technical experts and our board, which includes both supporters and opponents of the reforms.

Everyone is entitled to their own opinion and we will continue to provide the best evidence we can in case that may help inform them.