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SPECIAL REPORT 5

Between Efficiency and Effectiveness

Evaluation in For-Profit Education Organizations

Matthew Riggan | April 2012

Foreword

For decades, for-profit educational provision has been merely tolerated, often grudgingly. In the world of charter schooling, for-profit providers are lambasted and sometimes prohibited. In higher education, for-profit institutions have grown rapidly, enrolling millions of nontraditional students and earning enmity, suspicion, and now investigative and regulatory actions from the federal government. When it comes to student lending, teacher quality, and school turnarounds, there is a profound preference for nonprofit or public alternatives. All of this is so familiar as to be unremarkable.

The problem is that K–12 and higher education are desperately in need of the innovative thinking and nimble adaptation that for-profits can provide in a landscape characterized by healthy markets and well-designed incentives. As critics have noted, for-profits do indeed have incentives to cut corners, aggressively pursue customers, and seek profits. But these traits are the flip side of valuable characteristics: the inclination to grow rapidly, readily tap capital and talent, maximize cost effectiveness, and accommodate customer needs. Alongside nonprofit and public providers, for-profits have a crucial role to play in meeting America's twenty-first century educational challenges cost-effectively and at scale.

However, we rarely address for-profit provision in this fashion. Most statutory and regulatory discussion focuses on how to rein in for-profit providers, largely ignoring what it would take to harness the potential of such providers while establishing the incentives and accountability measures to ensure a level, dynamic, and performance-oriented playing field.

AEI's *Private Enterprise in American Education* series seeks not to demonize or celebrate for-profits, but to better understand what it takes for for-profits to deliver quality and cost effectiveness at scale. In this fifth installment of the series, Matthew Riggan of the University of Pennsylvania's Consortium for Policy Research in Education highlights the unique challenges and opportunities for-profit education providers face when it comes to evaluation and research. By honing in on the differences between for-profit and nonprofit organizations, Riggan explains the ways for-profits' structures and market pressures influence their incentive to conduct third-party evaluations or publicize internal research. He also flags promising for-profit practices that could improve the way we think about and use performance data in education. Riggan observes, "For-profits focus on the customer experience and satisfaction . . . [and] emphasize measures that capture academic performance in relation to operational efficiency. In an era when schools, districts, state universities, and community colleges face relentless pressure to cut budgets and public disaffection with schools is high, we can learn something from these two areas of emphasis."

I am confident that you will find Riggan's piece as eye-opening and informative as I have. For further information on the paper, Matthew Riggan can be reached at riggan@gse.upenn.edu. For other AEI working papers in this series, please visit www.aei.org/policy/education/private-enterprise/. For additional information on the activities of AEI's education policy program, please visit www.aei.org/hess or contact Jenna Schuette Talbot at jenna.talbot@aei.org.

—FREDERICK M. HESS
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Executive Summary

As the education policy landscape shifts toward a system of outcomes-based accountability, evaluation and research have grown increasingly vital. This is especially true for for-profit education firms, which must overcome skepticism, scrutiny, or even outright hostility in a field that has long been suspicious of the profit motive and where the bottom line is directly influenced by public perceptions of effectiveness.

This paper describes how these for-profit organizations view evaluation work, what they choose to focus on and why, the assets and capabilities they bring to the work, and the challenges they face. It also explores the question of how to encourage transparency and rigor in the evaluation practice of private enterprises while allowing them to do what they do best—innovate and attract investment.

How the Profit Motive Shapes Evaluation Practice. Though for-profits and nonprofits approach evaluation similarly, they differ in two important ways. First, whereas many nonprofits and public agencies operate on a fixed revenue model, for-profits do not. Second and related is that for-profits either earn more than they spend or go out of business. For-profits, then, face a unique set of challenges with evaluation. Questions of implementation and fidelity can cause these firms to hesitate to commit to independent evaluation; additionally, many customers of for-profit education services do not rely on third-party research when making purchasing decisions, leaving these firms with little incentive to commission independent evaluations of their effectiveness.

For-Profits, Nonprofits, and the Accountability Landscape. Changes in the education policy environment are raising the profile of evaluation work focused on the private sector. But when it comes to private-sector engagement in education, significant differences exist between types of companies. Supplemental service providers compete with one another and are decidedly not trying to put school districts out of business. By contrast, enterprises that actually seek to operate schools (whether in K–12 or higher education) directly compete with public school districts or state colleges and universities. These providers recognize that, appropriately or not, the public sector does not regard them as benign, and they see increased (and, in some cases, special) scrutiny at least in part as a response to this perception.

Using Evaluation to Promote Efficiency and Effectiveness. While for-profits' approach to evaluation depends on which sector of the education market they occupy, most companies have two common characteristics. First, for-profits focus on the customer experience and satisfaction, resulting in an evaluation approach that emphasizes ongoing user or customer feedback to drive product improvements or management decisions. Second, they emphasize measures that capture academic performance in relation to operational efficiency; they use evaluation to identify how they can get better results for their students but also consider whether they could get the same results with fewer resources. In an era when schools, districts, state universities, and community colleges face relentless pressure to cut budgets and public disaffection with schools is high, we can learn something from these two areas of emphasis. On the other hand, the lack of rigorous, third-party evaluation of many for-profit operators raises concerns about how prospective consumers should make informed decisions about whether to purchase their products or services.

Policymakers can do four things to help promote evaluation that retains a focus on both efficiency and effectiveness: (1) grant increased flexibility to schools and systems for managing resources; (2) establish policies that more closely align incentives for educational and financial performance; (3) at the K–12 level, reward schools more for performance than enrollment; and (4) develop policies to encourage states and school districts to weigh rigorous evidence more heavily in decisions about resource allocation and contracting. Together, policies such as these would increase the quality and use of evaluation data both inside and outside education's private sector.

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Introduction

My research team huddled around a speakerphone in a small conference room. On the other end of the call was the leadership team of an education firm that had developed an intervention we had studied and were preparing to release findings on. The study was not a summative evaluation—we were not looking at test score data or graduation rates, for example—but its findings nonetheless raised concerns for the firm. Overall, implementation of the intervention appeared to be weak and inconsistent. And research tells us that even the best interventions have little effect when implemented poorly.

The discussion that followed was awkward and at times a bit surreal. The company's leadership took an aggressive tone with us yet did not substantively challenge our findings. Instead, they argued that we had had misunderstood the intervention and what it was designed to accomplish. It was neither fair nor reasonable, they suggested, to expect the level of organizational impact that we had indicated was missing. Further, they argued that we had conducted our fieldwork in sites with known implementation problems, implying that we would have seen a different picture had we looked elsewhere.

We were disconcerted. The company itself had nominated the sites. We had asked for best-case scenarios—places where things seemed to be going particularly well. And our expectations for impact were considerably *more* conservative than the claims made by the company in its own promotional materials. At the outset of the study, company leaders had pressed us to take a closer look at quantitative outcomes like test scores, confident that we would find evidence of impact on student learning. Now a kind of amnesia had appeared to set in. What happened?

Our findings certainly supported the idea that the company had overestimated its influence on schools, but a lot of other factors may have come into play as well.

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Schools and districts change quickly. The difference between being an exemplar and a cautionary tale can be as small as a leadership change, and it is not at all hard for a school to make that jump over the course of a few years. On top of that, reform gets harder as scale increases. Rapid growth almost always means greater variability in outcomes and often leads to quality-control issues.

In sum, the context in which school change happens can shift, often dramatically, in a short time. A research study designed at the beginning of that period is unlikely (and often unable) to adapt to those changing conditions. Yet findings from the study will be published nonetheless.

Such is the dilemma of independent, third-party research. Once the evaluation genie is out of the bottle, it is awfully hard to get it back in. As researchers, our job is to have some distance from the interventions we study. Our task is to present findings—good, bad, or in between—based on our best analysis of the evidence. But for the interventions we study, those findings can have real consequences. The findings may be picked up by the media, influencing public perceptions. They can be taken into account by funders or investors or become the subject of political debate.

This is especially true for for-profit education firms. Although some such companies, like textbook publishers, have operated comfortably in the field for decades, relative newcomers like for-profit colleges, online learning ventures, and education management organizations have encountered skepticism, scrutiny, and outright hostility. They are also much more sensitive to the market because their revenue comes from investors, shareholders, and customers rather than grants or categorical funding streams. Public perceptions can seriously impact the bottom line, and evaluation findings can certainly shape public perceptions. When the *New York Time*s ran a story questioning the performance of online schools operated by K[12] Inc., the company's stock price plummeted 34 percent. A subsequent shareholder lawsuit alleged that the company misrepresented the performance of its schools, and it is not implausible that the outcome of the suit will hinge at least in part of the credibility of the performance data the company presented to investors.[1]

In this paper, I examine the current state of evaluation practices among for-profit organizations in K–12 and higher education, with a specific focus on organizations whose work bears directly on student outcomes. I describe how these organizations view evaluation work, what they choose to focus on and why, the assets and capabilities they bring to the work, and the challenges they face. From a policy perspective, I explore the question of how to encourage transparency and rigor in the evaluation practice of private enterprises while allowing them to do what they do best—innovate and attract investment. I argue that for-profits in education tend to do two things especially well: use customer feedback to drive improvement and monitor outcomes in light of resource allocation. On the other hand, there remains a lack of rigorous, third-party evaluation of most for-profit institutions and the products or services they offer. I argue that this is primarily because in education little overlap has existed between the concerns of shareholders and of policymakers. I conclude the paper with general suggestions for how policymakers might address this disconnect.

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Opportunities and Scrutiny for For-Profits

A better understanding of evaluation practices among for-profit education firms is important for two reasons. First, the role of these firms is steadily expanding. In higher education, the number of students served by for-profit colleges and universities has exploded over the last decade, though this group still comprises a small share of the total student population.[2] Meanwhile, private-sector involvement in K–12 education stands poised for similar expansion.

For-profit firms have always held an established and recognized place in the public education infrastructure, frequently receiving contracts for security, information technology, food service, textbooks, and curriculum materials. Recent federal policy has created increased demand for supplemental services, many of which are provided by for-profit firms.[3] For example, the 2001 No Child Left Behind (NCLB) legislation dramatically increased demand for providers of supplemental education services (SES), such as tutoring and remediation, which underperforming schools are required to offer their students. The market for these services—funded through Title I dollars—is now estimated at $2.55 billion, up from $1.75 billion in 2001.[4] In 2003–04 alone, the number of approved providers for SES increased 90 percent, and for-profit firms comprised half of all providers at the time.[5] NCLB also led to the unbundling of many comprehensive school reforms (which themselves had been developed in response to the availability of federal funds) into curriculum or professional development initiatives.

More recently, the Obama administration's focus on turning around low-performing schools has created a large and growing market for school turnaround specialists. School improvement grants account for about $3.5 billion of the Title I funding states receive, and school turnaround models are prominently featured in the Race to the Top initiative. Further, adoption of the Common Core State Standards by most states will profoundly impact the curriculum, textbook, and assessment markets. Each of these initiatives has presented new opportunities for both for-profit and nonprofit firms.[6] New standards require new assessments, which in turn require new (or updated) curricula, programs, and supplemental materials or services. Aided by both Race to the Top and influential philanthropies, a push toward expanding charter schools (both virtual and brick-and-mortar) and even voucher programs has further expanded the window for private-sector involvement in the management of K–12 institutions. Between 1998 and 2010, the number of public (district or charter) schools operated by for-profit firms grew from 131 to 739, and these schools now serve around 353,000 students.[7]

Second, opportunities for expanded private-sector involvement in education at all levels have prompted concern, criticism, and calls for closer scrutiny of the practices of these firms. In higher education, this has led to congressional inquiries and investigations and drawn the attention of the US Department of Education. In particular, for-profit colleges and universities are now regulated based on the amount of debt their students incur relative to what they can expect to earn as a result of obtaining a degree.[8] Institutions that fail to meet this "gainful employment" standard no longer qualify as

institutions where students can spend federally subsidized loans or grant funds. (Given that in some schools these dollars account for 90 percent of all revenue, this effectively constitutes a death sentence.) Additionally, for-profit colleges have been required to curb aggressive recruiting practices and awarding bonuses for recruiters based on the number of enrolled students.

These changes, coupled with a weak economy and some bad press, have contributed to dramatic declines in enrollment in for-profit colleges during the past year.[9] Although these measures arose from concern that some institutions were placing an unsustainable debt burden on their students while failing to prepare them to get and hold jobs, they effectively imposed a standard (for both performance and reporting) considerably more demanding than that used to judge public institutions of higher learning.

In K–12 education, public, private, and nonprofit operators of public schools have for the last decade been held accountable for performance. But signs point to increased scrutiny for for-profit firms, especially with regard to online and blended learning models. This is due partly to general questions about how well virtual schools can educate children, partly to the fact that in some states reimbursement rates for virtual schools are comparable to those for brick-and-mortar schools despite lower costs, and partly to general resistance to new teaching and learning models. In any case, this increased scrutiny points to even greater emphasis on evaluation and outcomes for for-profit K–12 operators in the future.

The Role of Rigorous Evaluation

Evaluation can be formative or summative. Formative evaluation focuses on feedback to drive improvement, while summative evaluation focuses on generating evidence of impact or lack thereof. As University of Illinois at Urbana-Champaign evaluator Robert E. Stake puts it, "when the cook tastes the soup, that's formative; when the guests taste the soup, that's summative."[10] Each plays a critical role in the life cycle of any intervention. Research and development efforts rely heavily on formative evaluation, while the long-term success and growth of an intervention often hinges on whether evidence of its effectiveness can be supported by summative evaluation.

Formative Evaluation and R&D. Every education intervention is intended to solve some kind of problem or address some kind of need. Some needs are educational (teaching and learning problems) while others are organizational. What kind of problem an organization is trying to solve shapes the role of research and formative evaluation in product development and field testing. As is the case for most academic work, products and services private companies develop are informed by research on particular topics. As such, the research and development (R&D) process begins with learning from existing research rather than designing new studies.

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The focus of this preliminary research takes one of two main forms. One branch starts from an established need (for example, delivering effective professional development in mathematics) and seeks to use existing research to identify an effective response to that need. For example, the READ 180 program was developed by researchers at Vanderbilt University based on their work exploring factors associated with reading difficulties among older students.[11] The lead researcher, Ted Hasselbring, partnered with Scholastic to further develop and refine the model to bring it to market.

The second branch is more market focused. It seeks to identify a size and type of need (for example, "nontraditional" college students or home-schooled children) and determine the extent to which currently available products or services are addressing that need. To borrow from Michael Horn's discussion of the role of "disruptive innovation" in education, the former might be viewed as research on "sustaining innovations" (doing something we already do better), where the latter would be more disruptive (serving a need or market that does not fully exist yet).[12] Online learning systems offered by companies like K[12] and Kaplan fall into this category, as they seek to fundamentally reconfigure (and in some cases even replace) the basic organization (resources, staffing, time, and physical space) of schools and classrooms. This type of preliminary research focuses more on emergent demand, along with prospective changes in the policy climate (the expansion of voucher legislation, for example).

Formative evaluation plays a critical role in R&D process both before and after products or services are brought to market. While still in development, products are evaluated using focus groups and field testing coupled with user feedback. An interesting aspect of this stage is the importance of qualitative research methods and approaches focused on how consumers use a product or service, their satisfaction with it, and the degree to which they report it as benefiting them. Asking teachers about the utility of a given curriculum and its impact on their teaching plays an important role in understanding whether it is likely to gain traction in the marketplace, even though such self-reported measures are considered weak in traditional research and evaluation. For example, the design research team at Pearson Education created a "usability lab" in which users of products in development can interact in real time with research staff while the research team observes their use of, and response to, these products.[13]

Once products are brought to market, utilization and implementation become central to formative evaluation. The implementation challenge is something of a chicken-and-egg problem. We are more likely to see impacts where implementation is the strongest, but weaker implementation often indicates design problems rather than user error. Part of the purpose of formative evaluation is to improve the ability of all customers to utilize the product or service to produce results. Doing so successfully both expands the base of potential customers and improves satisfaction. Not surprisingly, then, companies go to considerable lengths to learn how broadly and well their products are being used and to collect feedback on problems or possible improvements. In summative evaluations, these customers (teachers, for example) are in effect mediating variables—the means through which a product might achieve an outcome. In formative research, they are part of the field testing process. For example, Scholastic and K[12] both solicit real-time feedback from users of their online products, including reporting problems or glitches but also ease of use and overall utility. In addition to embedded feedback, formative evaluation also relies on more traditional measures such as user surveys and focus groups. And because the materials are online, the companies can revise them in real time to respond to this feedback.

Summative Evaluation: Generating Evidence of Effectiveness. In 2001, the US Department of Education's Office of Educational Research and Improvement was renamed the Institute for Education Sciences. The name change signaled a pronounced shift in federally funded education research: descriptive, process, and implementation studies (along with virtually all qualitative methodology) were out, and randomized, controlled trials were in. How reforms were conceived, designed, and implemented became ancillary questions. What really mattered was "what works," with "working" defined primarily as showing significant effects on standardized tests compared to a randomly assigned control group (or some approximation thereof). This shift has pressured reformers to demonstrate that their initiatives are effective based on these criteria. Doing so could open new markets for providers, especially where supplemental services or school turnarounds (both of which require schools or districts to adopt evidence-based practices) are concerned.

It is perhaps surprising, then, that the narrow focus on test scores and experiments appears to be considerably less prevalent among private firms in K–12 education than in the policy and research communities. To date, very few products or services owned or operated by for-profit companies have been evaluated using experimental (or even rigorous quasi-experimental) methods. Among the ten largest for-profit education management organizations (EMOs), for instance, not one independent, third-party evaluation is publicly available, nor do research articles about any of these firms appear in peer-reviewed journals.[14] For curriculum and professional development providers the record is slightly more substantive, with a handful of products or services offered by private firms subjected to rigorous evaluation. These remain the exception rather than the rule, however.[15] Several reasons exist for this, most deriving from the unique position for-profit firms occupy in the education marketplace.

How the Profit Motive Shapes Evaluation Practice

In many ways, for-profits and nonprofits are quite similar in their approaches to evaluation. Both use it to drive program improvement, seek positive findings to bolster their reputations and drive growth, and worry about the impact of negative findings. But they differ in two important ways, each of which influences their relationship to evaluation. First, whereas many nonprofits and public agencies operate on a fixed revenue model, for-profits do not. Second, for-profits operate, well, for profit: either they earn more than they spend, or they go out of business.

Funding to provide education products and services can come from three basic sources. First, an organization

can receive funding to provide services or products to a given population. The population that receives those products or services does not purchase or contract for them directly, and the revenues themselves are fixed. School districts and grants to nonprofits use this model. Second, an organization can receive revenue in exchange for services or products provided—for example, tuition. In this case, the recipient of services purchases them directly from the organization, and the total revenue earned is a function of the number of paying customers. Third, an organization can benefit from investment that produces future financial returns. Such a model is possible only when revenues are not fixed.

As school choice (in its various forms) becomes more prevalent in the education landscape, some nonprofits are moving toward the customer-focused approach, making them less dependent on grant funding and more dependent on attracting and keeping customers. The reverse is decidedly not the case: for-profit companies do not function on a fixed revenue model. The fact that their revenue (and, consequently, their ability to attract investment) depends on engaging and retaining customers—and that it must exceed their expenses by some margin—significantly influences their relationship to evaluation work.

The "Best-Foot-Forward" Problem. For reasons both obvious and understandable, firms are cautious about proceeding with rigorous, third-party evaluations until they are confident positive outcomes will be found. In practical terms, this means that the product or service must be extensively refined and field tested prior to evaluation and the research must be conducted in sites where implementation is known to be fairly robust. Implementation research is exceedingly complex, however. It is not simply a matter of knowing whether formal program components are in place; those components must be used in a way that is consistent with the intervention's intent. And for all of the long-term focus on it, documenting changes in instruction or leadership remains time and resource intensive and is still an inexact science. Companies try to measure implementation in a variety of ways, including site visits, teacher surveys, and tracking use of online resources. All of these contribute to an enhanced understanding of how much variation in fidelity may exist, but they remain indicators rather than precise measures.

Uncertainty about implementation limits the ways rigorous impact studies can be conducted. For example, a research design in which schools are randomly selected to receive an intervention does not ensure implementation fidelity. On the other hand, randomly assigning students to a school or program already known to be strong can raise vocal objections from parents and educators not assigned to the program who are advocating for students not selected for the program. Reformers face a catch-22 situation: rigorous, third-party evaluations are desirable only under ideal conditions, yet those same conditions tend to thwart rigorous evaluation.[16] Given this context, the scarcity of such studies is not surprising.

One strategy some companies adopt is to contract with lesser-known evaluation firms and keep their research in house. If the results appear positive, they provide an initial basis for claims of effectiveness that the company can publicize. If they show little or no impact, the company can use them internally for program improvement without damaging its reputation. Larger companies may also pursue a similar strategy with their own research staff, conducting rigorous studies in sites where their products are being used but limiting dissemination of findings.

To be sure, the best-foot-forward problem applies to nonprofits as well. Negative evaluation findings can certainly undermine future fundraising efforts. But the link between the two is far less direct. It is exceedingly rare for a funder to terminate a grant early based on evaluation findings, for example. On the other hand, widely publicized research questioning the quality of a school or other intervention can have an immediate impact on student recruitment, enrollment, and retention and could also have a chilling effect on investment. For both nonprofits and for-profits, damning evaluation findings can be harmful. But they can do more harm more quickly to for-profits.

If the Incentive Isn't There . . . Although some firms may shy away from third-party evaluation because the stakes are too high, others may do so because the stakes are too low. Even for those for-profit companies that operate closest to the accountability press faced by schools, it is not always clear that rigorous, third-party research is required to be successful. A recent Government Accountability Office report on the What Works Clearinghouse (WWC) found that only 42 percent of surveyed districts had even heard of WWC, using its products to a "small to moderate" extent in making decisions.[17] (To date, no analysis of the impact of WWC findings on financial performance of education organizations has been conducted.) Accountability may be very real, but that has not necessarily led districts to clamor for better research.

Similarly, it remains unclear how important a company's track record of increasing performance is to state or district contracting or procurement decisions. For example, textbook adoption processes vary by state and are subject to an array of political and institutional pressures.[18] Performance data may or may not be a factor. Similarly, professional development contracting tends to be based more on local relationships than on academic performance criteria. As one executive I interviewed put it, "That's not how the [professional development] market works. The market purchases on an individual basis from the retired teacher that they know. And while it may be a $4 billion market, there might be 40 million providers." Getting a seal of approval from a third-party evaluator may well help in marketing and selling a product, but it is unclear that the absence of approval really hurts. For private enterprises in particular, if the customer does not demand something, it is difficult to see why firms would spend money and time delivering it, especially considering the risk that evaluation findings could harm the company. There may simply be more to lose than to gain.

This differs markedly from nonprofit organizations. For for-profits, the metrics that are most central are the ones that relate to profitability. Whether their customers are families or state departments of education, there is no reason to invest in rigorous research without demand for it. For nonprofits operating on a fixed revenue model, the exact opposite is true. Their customers are their funders. And funders, especially for large grants, demand independent, third-party evaluation.

The Market as Evaluator. Whole sectors of the education marketplace exist where schools orient to a completely different set of accountability pressures. Many proprietary, private schools serve middle- and upper middle-class populations, relying primarily on tuition dollars for revenue. Their success depends on a steady stream of families who want to enroll their children. As such, they are judged primarily by the degree to which they provide students entry to higher (and more exclusive) levels of schooling. For elementary and middle schools, high school placement is a major outcome of interest; for high schools, college and university matriculation counts most. Such outcome measures require neither rigorously constructed comparison groups nor external evaluators. Schools that send their graduates to elite secondary or postsecondary schools will be in high demand. The market serves as the evaluator.

For for-profit firms, students, their families, and (in the case of curriculum or professional development) teachers are their customers. Thus, they direct an enormous amount of effort toward the question of whether the customers are happy and satisfied because their satisfaction directly impacts the firm's bottom line. As I noted, these efforts often rely on more qualitative or self-reported measures that may be less valued by the research and policy community but are more closely attuned to what the firm cares most about: whether customers are satisfied, whether their expectations are being met (or exceeded), and whether they are likely to recommend the firm to others.

The preference for "voting with your feet" and customer satisfaction metrics over more traditional outcome measures in some sectors of the education market raises the question of where and under what conditions this preference is warranted or appropriate. If customers are exercising a choice and if they are happy, do we need more rigorous forms of evaluation? The answer depends on who the product or service is serving and what the expected outcomes are. If the purpose of a mathematics program is to change how math is taught and thereby improve student achievement, whether or not the program makes teachers happy is only indirectly related to the outcomes of interest. In that case, the outcomes of greatest interest to the company providing the service and those of greatest interest to the public would appear to diverge. Similarly, it is common to find charter schools that fare no better than their noncharter counterparts using conventional metrics such as test scores, attendance, or even teacher qualifications yet are oversubscribed and boast high levels of student and parent satisfaction. Again, this would seem to be a case where more informal outcome measures miss the mark, since it is likely that widespread access to better evaluation would affect both enrollment and satisfaction.

A Focus on Measures of Efficiency. For-profits orient toward attracting and retaining customers because their revenue depends on it. But their financial success depends not only on revenue, but also on efficiency. It is not merely a question of what outcomes are produced, but of what level of resources is needed to attain them. Because education for-profits view outcomes in light of investment and resource allocation, they focus attention not only on getting better, but on finding more efficient ways to achieve a given result. This is most apparent in the case of higher education, where performance of for-profit colleges and universities has primarily been judged from the standpoint of traditional financial metrics such as business performance, value of the enterprise, and stability of earnings.[19]

The emphasis on business performance necessarily focuses attention on resource utilization. Taking their cue from management practices, most for-profit colleges establish key performance indicators focused on the relationship between investment and results, such as number of students per course or revenue per staff member, and track expenditures in all areas—from staff salaries to recruitment to energy use—closely. The image of bucolic, sprawling campuses may still reflect the university idyll, but for-profit colleges analyze the square footage per student when examining resource allocation. Students are the primary revenue source for these schools, and after staffing, facilities are their second biggest expense. Among large institutions, costs for new campus construction or return on invested capital may be factored in as well. These schools set specific goals for each of these metrics and evaluate managers based on whether or not those goals are met.

The profit motive influences the types of evaluation that for-profits deem necessary and the types of data they collect as a result.

The same incentives apply to for-profit EMOs, often leading them to a more flexible view of how resources should be allocated. Although virtual schools have attracted the most attention (and controversy), in reality blended learning models are much more common among for-profit EMOs. In these schools, resource allocation decisions are made based on whether students need close interaction with a teacher to achieve a given result or whether working individually with interactive software would achieve the same ends.

Investors in for-profit institutions (K–12 and higher education) use the lens of outcomes to differentiate strong education models from weak ones. But the companies that are most attractive to potential investors are those that achieve good outcomes but are not operating as efficiently as they could be. These companies can generate significant returns by improving their business processes and efficiency while maintaining education quality.

Contrast this with public education institutions, which operate in an environment where both revenues and resource allocation are constrained. One consequence of this basic fact is that the relationship between inputs and outcomes in public institutions is less direct than in the private sector. A school district is capable of raising additional funds when needed through tax increases or bond initiatives, but these are increasingly politically difficult to push through and can be time consuming. And when such revenue increases are approved, it is almost always on the grounds of need (for example, responding to population growth or change), rather than performance. Budget-cutting battles are fought along the same lines. Further, extensive regulation coupled with contract provisions limits the flexibility of public institutions when it comes to resource allocation. Less flexibility and control over revenues and expenditures leads to less emphasis in the public sector on the link between investment and results.

In a recent paper focused on how state systems can encourage schools to make better use of scarce resources, Karen Hawley Miles and colleagues noted several problems with how states and school systems allocate and use resources. Rigid requirements focused on class size and student-staff ratios, compensation systems based more on longevity than performance, cumbersome and procedural tenure and dismissal processes, seat time requirements for credit accrual, and in some cases contractual provisions limiting classroom support for teachers all result in schools that have little room to maneuver in seeking to improve performance or use resources effectively.[20] A recent analysis by the Center for American Progress found large discrepancies in spending among districts that achieved similar results and served students with similar demographic characteristics.[21] The report concluded that how education dollars are invested could potentially mean the difference between progress and stagnation.

Under these conditions, districts have far less incentive to operate efficiently. Nonprofits operating on grant funds are often not permitted to run surpluses of any significant size, while public entities that do so run the risk of appearing to receive too much funding and thus exposing themselves to cutbacks. The lack of focus on efficiency has created an asymmetry in the amount and quality of data available in public, and some nonprofit, organizations. An extensive and growing body of data is focused on outcomes, but few if any clear, transparent metrics exist to track resource allocation.

Reputation and Competitive Advantage. Although formative evaluation is critical to the development of some products or services, for some firms it can also be perilous. This type of evaluation involves identifying what is not working in order to fix it. Perhaps more important,

it involves documenting those shortcomings, in the form of either quantitative outcomes or customer feedback. The intense scrutiny some private firms face—in some instances extending all the way to the subpoena of e-mails and internal documents—has made them reluctant to engage in this process for fear that politicians, policymakers, activists, and the general public will interpret and use both internal and external formative evaluation results in a summative manner, hurting both their reputations and bottom lines.

Another concern among for-profit companies relates to intellectual property. These companies compete with both public-sector institutions and with one another. Just as conducting formative evaluation requires firms to generate data about what is working and what is not, analyzing outcomes relative to investment requires firms to document what data are collected to conduct those analyses and how the analyses are conducted. If profitability is based on not only outcomes but also efficiency, sharing information—voluntarily or not—about how efficiencies are achieved amounts to surrendering competitive advantage.

In each segment of the marketplace, for-profit companies may view evaluation differently depending on the degree to which they believe they can benefit from it (or conversely, the degree to which it can harm their competition). Whether in K–12 or higher education, supplemental services or school management, companies with established track records or strong evaluation capacity tend to see opportunity in increased accountability. Provided that the playing field is level, they see evaluation as a way to differentiate themselves from their competition.

In K-12 education, organizations such as America's Choice, which boasts a strong evidence base for the effectiveness of its programs, use evaluation results to great effect in their marketing materials. America's Choice prominently features research findings about its various products (school design, literacy, and mathematics programs) on its website, focusing specific attention on results demonstrated through independent research and evaluation efforts.[22] Similarly, the website for Scholastic's READ 180 proclaims, "READ 180 is now the most thoroughly researched reading intervention program in the world. Hundreds of studies, peer-reviewed journals, and the federal government's What Works Clearinghouse have all documented its effectiveness on student reading achievement."[23] To support this claim, the company publishes a compendium of research focused on the intervention and links to all of the reports and research it cites in making claims of effectiveness.[24] Pearson Education highlights its history of commissioning independent, third-party evaluation for its curricular products and routinely releases summary reports from these studies.

In higher education, for-profit colleges seeking to claim academic effectiveness aggressively publicize data related to learning and career outcomes in marketing and communications materials. For instance, the University of Phoenix publishes an Academic Annual Report focused on student learning outcomes using a variety of measures.[25] The report provides data on student and alumni satisfaction, student engagement, self-reported learning outcomes, information literacy skills, academic proficiency, and degree completion rates. Similarly, Capella University devotes significant space on its website to learning and career outcomes, as it reports faculty ratings of student skills, student and alumni satisfaction, and self-reported learning and career impacts.[26]

The development of online and blended learning models in K–12 education, coupled with an increase in privatization of public schooling, is creating a range of new opportunities for for-profit providers.

The profit motive influences the types of evaluation that for-profits deem necessary and the types of data they collect as a result. But it also influences the degree to which they use evaluation findings to make decisions. Since the late 1960s, analyses of policy and program improvement have shown that evaluation findings have little influence.[27] Many reasons exist for this (politics not the least among them), but the underlying structural problem is that evaluation work is loosely coupled with program design and decision making. Put another way, evaluation is traditionally driven more by demands for technical sophistication than by the questions that planners and practitioners actually need answered. The result is that most evaluations are underused or ignored altogether.

For-profits are certainly subject to the same internal political and organizational dynamics that can compromise use of evaluation findings. But they also have certain structural advantages that make it less likely that the

findings will not be useful. The focus on efficiency (outcomes attained relative to inputs) is based on the assumption that changes will increase profitability. To borrow a phrase from Michael Quinn Patton, this type of evaluation is designed with explicit attention to "intended use by intended users."[28] This focus, coupled with the flexibility that for-profits have to quickly reallocate resources, creates a much tighter loop between evaluation and management than is normally the case in the nonprofit or public sectors.

For-Profits, Nonprofits, and the Accountability Landscape

Without question, changes in the education policy environment are raising the profile of evaluation work focused on the private sector. How this shift is perceived depends a lot on what kinds of products and services a company offers, as well as its position relative to its competition.

When it comes to private-sector engagement in education, significant differences exist between types of companies. Supplemental service providers compete with one another, but they rely on the public school system for revenue. Tension often exists between such providers and school districts. No Child Left Behind stipulates that parents can choose which providers to use for their children and that the districts must pay for those services. Providers therefore have an incentive to recruit students, while districts have an incentive to restrict that recruitment to limit the damage to their bottom line.[29]

For all of this competition, however, these providers are decidedly *not* trying to put school districts out of business, nor do they pose any real threat to established interests in the field, such as school boards or unions. Not surprisingly, these enterprises respond to the same accountability pressures that drive public education institutions. In many cases, the products and services they offer are tailored to help schools (and in some cases, parents and families) respond to these very pressures.[30] When No Child Left Behind legislation called for districts to offer students in low-performing schools access to SES such as tutoring, it also stipulated that those providers demonstrate evidence of student improvement within two years. Providers were quick to claim such benefits (with varying degrees of credibility), presenting themselves as helping schools respond to a federal mandate. These organizations (both for-profit and nonprofit) designed and marketed services intended to complement traditional reforms rather than replace them. In these instances, little difference exists in the treatment of for-profit and nonprofit organizations within the marketplace because they both occupy a similar position within the accountability landscape.

By contrast, enterprises that actually seek to operate schools (whether in K–12 or higher education) compete directly with public school districts or state colleges and universities. Although many private higher education providers argue that they serve a segment of the student population the public system neglects, they also recognize that, appropriately or not, the public sector does not regard them as benign, and they see increased (and in some cases special) scrutiny at least in part as a response to the perception that they are a threat.

For-profit involvement in the management of K–12 schools is newer, and though it has expanded quickly, an estimated less than 1 percent of K–12 students are educated in public schools run by private companies. But the development of online and blended learning models in K–12 education, coupled with an increase in privatization of public schooling (through vouchers, charter schools, and other initiatives), is creating a range of new opportunities for such providers. These developments stand to eat away at district budgets and weaken the influence of school boards and unions. Coupled with political and philosophical concerns about whether private companies should be running schools, this has prompted stiff resistance and calls for increased scrutiny similar to that experienced by higher education providers.

Private enterprises attempting to push into the traditionally public sphere may view calls for greater accountability and evidence of effectiveness may with a jaundiced eye. In higher education, research showing comparatively higher tuition rates and debt loads for students in for-profit colleges has been decried as unfair because most public institutions are subsidized with taxpayer dollars.[31] Similarly, efforts to ensure that student loan debt is in line with projected earnings based on degree attainment and choice of field are viewed as cumbersome regulations.

The adoption of the gainful employment standard certainly appears to create a different set of accountability measures for for-profit colleges. Before the ascent of for-profit colleges, public colleges and universities had little accountability for student performance, in part because there is still no real consensus about how to measure performance of colleges and universities. As noted in a recent *Chronicle of Higher Education* report, a lack of clear standards, criteria, or even guidelines for determining what type of work merits college credit creates myriad problems, including systemwide devaluation of credits

and an inability to distinguish between high- and low-quality institutions.[32]

Why the double standard? Ironically, for-profit colleges' focus on efficiency may be partly to blame. Institutions operating on fixed revenue may have little reason to become more efficient, but by that same measure they have little incentive to cut back on resources invested in students' education. The perception—warranted or not—that for-profit colleges seek to cut corners is part of what justifies the double standard for evaluating them.

More recently, the use of a different standard for for-profit colleges has come under some scrutiny. An interesting—or disturbing, depending on one's point of view—byproduct of the push to examine returns to education for students in for-profit colleges has been a groundswell of interest among some states in conducting similar analyses. As Kevin Carey wrote in the *Chronicle* report,

> The "gainful employment" regulations that the Department of Education is working to impose on for-profit colleges are nothing less than a repudiation of traditional higher-education quality control. . . . How long will it be before politicians who see higher education as nothing more than a way to train future workers simply cross out the "for profit" limitation on the gainful employment measures?[33]

There are early indications this is already happening. As states face pressure to reduce budgets, they have begun asking which aspects of a college education are most likely to benefit their economies. Florida Governor Rick Scott was roundly criticized for questioning whether having so many students majoring in psychology or anthropology would benefit either them or the state. Yet states need as many gainfully employed professionals as possible to sustain or grow their tax base. Like it or not, it is not hard to see why a governor would wonder whether some fields of study might do more to achieve these ends than others.

This in turn has implications for secondary education, for which the primary outcomes of interest in recent years have been eleventh grade test scores and graduation and postsecondary matriculation rates. Adding the question of what going to college actually does for a student economically casts a different light on what it means to be "college ready," opening up new lines of research and evaluation. Indeed, in addition to online and blended learning models, some investors in for-profit schools have suggested that career and technical education—high schools focused on career preparation, much like current offerings for associate degrees—may represent a significant market opportunity.

Among conventional brick-and-mortar schools, we see little difference in the accountability pressures public, nonprofit, and for-profit institutions face. All public schools are accountable under federal law, all are required to test students annually and disaggregate the results by subgroup, and all face sanctions for repeated failure to meet performance expectations. Among private schools, all are judged by their ability to provide students with access to more and better educational options at the next level (either high school or college), and all are accountable to the families of their students.

Among schools that adopt nontraditional models, the accountability picture is more complex. Online, blended, or self-directed learning models use more flexible pacing than traditional approaches and thus may be ill-suited to high-stakes annual assessment. Echoing an argument made by for-profit colleges, companies that operate or support such schools note that they tend to appeal to students who have struggled in traditional environments and thus serve populations that perform well below grade level in core subjects. Further, participation in these schools tends to be more fluid, with students moving in and out of them more frequently than is the case in traditional schools. Some of this is likely because high-need students are also highly mobile or because online schools simply do not work for everyone. But in some cases it is also by design, with students rotating through online programs for remediation, enrichment, or credit recovery purposes. Given this fluidity, assessments administered annually—snapshots, essentially—may not effectively capture the impact of these schools on student learning from the time they enroll to the time they exit. This is similar to the challenge some alternative schools face; these schools also serve high-need populations, depend less on the traditional school calendar, and are more likely to base progress on mastery (demonstration of required skills and competencies) rather than number of years in the system.[34]

Using Evaluation to Promote Efficiency and Effectiveness

When it comes to evaluation, this analysis suggests the profit motive presents both significant opportunities and barriers. In addition to individual firms' characteristics, for-profits' approach depends on which sector of the education market they occupy (K–12 or higher education; supplemental services, operations, or some combination of the two). However, two common characteristics do

appear across most companies in terms of what they choose to measure and how.

First, for-profits in education focus heavily the customer experience and prioritize customer satisfaction. The result is an evaluation approach that emphasizes ongoing user or customer feedback that can drive product improvements or management decisions. In current research and evaluation circles, such indicators would be considered weak—potentially helpful for contextualizing other outcome measures but of little use on their own. Conversely, it appears that while at least some for-profits are adept at exploiting positive evaluation findings when they have them, they do not have an overriding concern with justifying their products or services using rigorous third-party evaluation. This may be because such evaluation is related only loosely to the financial performance of a given product or service. Second, academic performance—however it is measured—is analyzed alongside other organizational performance indicators related to operational efficiency. For-profits use evaluation to identify how they can get better results for their students, but they also consider whether they could get the same results with fewer resources.

In an era when schools, districts, state universities, and community colleges face relentless pressure to cut budgets and where public disaffection with schools is high, we can learn something from these two areas of emphasis. Although many large school districts administer parent surveys, few would argue that they prioritize customer service or that they are particularly responsive to user (in this case, teacher and principal) feedback. This more developmental, formative approach to evaluation, focused on improving the user or customer experience, would be a welcome change in the field of education. Similarly, measuring performance as the relationship between inputs and outcomes rather than simply the outcomes attained would appear vital to getting the most from the dollars available to education institutions.

On the other hand, the lack of rigorous, third-party evaluation of many for-profit operators raises concerns about how prospective consumers should make informed decisions about whether to purchase their products or services and about whether the claims made by such companies in marketing materials are justified (though we should note that these concerns are not confined to the private sector). Among some critics, such concerns are compounded by the profit motive. Clearly, it would be nice if a large evidence base existed for a wide range of educational institutions, products, and services. But historically there has been little reason to think that the outcomes of primary concern to education policymakers and regulators overlapped with those of shareholders.[35] Good evaluation is time consuming and costly, and investment in it does not guarantee that the client will like the results. It is therefore only reasonable to expect the prevalence of rigorous evaluation to increase if the policy climate creates incentives for that to happen.

The adoption of the gainful employment standard hints at what is possible when education performance metrics become more closely aligned with financial ones in the sense that it is causing for-profit colleges and universities to play close attention to the indicators it effectively enshrines. But it also highlights the challenges inherent in trying to encourage such alignment. In seeking to address concerns about profit motive trumping other outcomes, the government has effectively established a performance standard for for-profit colleges that does not exist anywhere else and has dictated that one particular indicator (projected earnings relative to debt) is more important than others—including the degree to which a student makes real learning gains while in school. This is an exceedingly blunt instrument.

So what can policymakers do to promote evaluation—both within and outside the for-profit sector—that retains a focus on efficiency while more fully addressing questions of effectiveness? The first step relates not to evaluation per se, but to the flexibility of schools and school systems to manage resources well. Establishing performance indicators and operational metrics linking resource allocation and other outcomes is of little use if leaders do not have latitude to redeploy those resources when the data indicate that it would be prudent to do so.

A second step would be to find ways to more closely align incentives for educational and financial performance. At the postsecondary level, this would require working toward greater consensus around a set of minimum performance standards for colleges and universities. This would be, by definition, reductive—one would not expect all colleges to do the same thing. For many occupations, these standards already exist in the form of certification or licensing requirements. In other cases, establishing them would involve identifying a small number of things that one could reasonably expect every college and university to do, such as teaching students how to write well. Whatever these measures are, they should be proximal to the educational work of universities rather than tied up in long-range labor market outcomes over which schools have limited control.

At the K–12 level, this would mean rewarding schools more for performance than for enrollment. The

phenomenon of oversubscribed but underperforming charter schools suggests the need for either greater accountability in how they are monitored (revoking charters for schools that fail to meet performance targets) or greater incentives for meeting performance goals (having a tiered system of per-pupil reimbursement depending on performance). Neither of these would be easy to implement, but both would go a long way toward aligning public and private goals and desired outcomes for education.

Finally, policies could be developed to encourage states and school districts to weigh rigorous evidence more heavily in decisions about resource allocation and contracting. Done correctly, this could tighten the coupling of educational and financial outcomes.

Taken together, policies such as these would increase both the quality and use of evaluation data in and outside the education private sector.

Notes

1. Jason Tomassini, "K[12] Inc.'s Public Status and Growth Attract Scrutiny," *Education Week*, February 21, 2012, www.edweek.org/ew/articles/2012/02/22/21k12.h31.html (accessed March 29, 2012).

2. Daniel L. Bennet, Adam R. Lucchesi, and Richard K. Vedder, *For-Profit Higher Education: Growth, Innovation and Regulation* (Washington, DC: Center for College Affordability and Productivity, 2010).

3. Louis M. Gomez and Guilbert C. Henstchke, "K–12 Education and the Role of For-Profit Providers," in *The Role of Research in Educational Improvement*, ed. John D. Bransford et al. (Cambridge, MA: Harvard Education Press, 2009), 137–59.

4. Carolyn J. Heinrich, Robert H. Meyer, and Greg Whitten, "Supplemental Education Services under No Child Left Behind: Who Signs Up, and What Do They Gain?" *Educational Evaluation and Policy Analysis* 32, no. 2 (June 2010): 273–98.

5. Patricia Burch, Matthew Steinberg, and Joseph Donovan, "Supplemental Educational Services and NCLB: Policy Assumptions, Market Practices, Emerging Issues," *Educational Evaluation and Policy Analysis* 29, no. 2 (June 2007): 115–33.

6. Katrina E. Bulkley and Patricia Burch, "The Changing Nature of Private Engagement in Public Education: For-Profit and Non-Profit Organizations and Educational Reform," *Peabody Journal of Education* 86, no. 3 (2011): 236–51.

7. Alex Molnar, Gary Miron, and Jessica L. Urschel, *Profiles of For-Profit Education Management Organizations: Twelfth Annual Report, 2000–2010* (Boulder, CO: National Education Policy Center, 2010).

8. Ben Miller, *Are You Gainfully Employed? Setting Standards for For-Profit Degrees* (Washington, DC: Education Sector, 2010).

9. Rachel Wiseman, "Enrollments Plunge at Many For-Profit Colleges," *The Chronicle of Higher Education*, August 16, 2011, http://chronicle.com/article/Enrollments-Plunge-at-Many/128711/ (accessed April 2, 2012).

10. Quoted in Michael Scriven, "Beyond Formative and Summative Evaluation," in *Evaluation and Education: At Quarter Century*, ed. M. W. McLaughlin and D. C. Phillips (Chicago: University of Chicago Press, 1991), 169.

11. Ted S. Hasselbring and Laura I. Goin, "Literacy Instruction for Older Struggling Readers: What Is the Role of Technology?" *Reading and Writing Quarterly* 20, no. 2 (2004): 123–44.

12. Michael B. Horn, *Beyond Good and Evil: Understanding the Role of For-Profits in Education through Theories of Disruptive Innovation* (Washington, DC: American Enterprise Institute, 2011).

13. "Kids Help Pearson Design Software," Pearson Education, October 22, 2008, www.pearson.com/about-us/feature/feature-archive/?i=97 (accessed November 18, 2011).

14. It is possible that private EMOs have participated confidentially in larger studies of charter school effectiveness, such as the Mathematica Policy Research analysis of charter school impacts. See Philip Gleason et al., *The Evaluation of Charter School Impacts* (Washington, DC: US Department of Education, Institute of Education Sciences, 2010). It is also possible that individual schools operated by these EMOs have been evaluated more rigorously, though I was not able to identify any instances where this was the case.

15. Some companies, such as Pearson, do commission third-party efficacy studies using rigorous methods. These do not appear to be subject to any form of external or peer review, however.

16. These types of studies are more feasible for some types of interventions than others. A growing body of research exists on the impact of charter schools, using admissions lotteries to randomize treatment and control groups. Such studies are possible if the school is already oversubscribed, meaning there is no added concern for withholding treatment (admission).

17. US Government Accountability Office, *Department of Education: Improved Dissemination and Timely Product Release Would Enhance the Usefulness of the What Works Clearinghouse* (Washington, DC: Author, Report 10-644, July 2010).

18. Thomas B. Fordham Institute, *The Mad, Mad World of Textbook Adoption* (Washington, DC: Author, 2004); David Wiley and Elissa Barr, "Health Education Textbook Adoption in Texas: A Lesson in Politics and Morality," *American Journal of Health Education* 38, no. 5 (2007): 295–300.

19. Guibert C. Hentschke, Vicente M. Lechuga, and William C. Tierney, *For-Profit Colleges and Universities: Their Markets, Regulation, Performance, and Place in Higher Education* (Sterling, VA: Stylus Publishing, 2010).

20. Karen Hawley Miles and Karen Baroody, *Restructuring Schools for High Performance: A Primer for State Policymakers* (Watertown, MA: Education Resource Strategies, 2011).

21. Ulrich Boser, *Return on Educational Investment: A District-by-District Evaluation of US Educational Productivity* (Washington, DC: Center for American Progress, 2011).

22. For a full listing of research and evaluation findings, see www.americaschoice.org/resultsacschooldesign.

23. It is worth noting that the What Works Clearinghouse is reserved in its appraisal of the impacts of READ 180 on reading achievement and comprehension, noting modest effects and a "medium to large" evidence base.

24. Scholastic, 2011 *Compendium of READ 180 Research* (New York: Author, 2011), http://read180.scholastic.com/reading-intervention-program/research/pages/313 (accessed April 2, 2012).

25. University of Phoenix, *2010 Academic Annual Report*, 2010, http://cdn-static.phoenix.edu/content/dam/altcloud/doc/about_uopx/academic-annual-report-2010.pdf (accessed April 2, 2012).

26. I cite the University of Phoenix Academic Annual Report and the Capella University Learning and Career Outcome not as an endorsement of their findings but as examples of how for-profit colleges collect, analyze, and present data as a way of differentiating themselves and of enhancing their reputation and brand. Because of a lack of details regarding research methodology and reporting conventions, I cannot determine the rigor of the analyses producing the reports.

27. Michael Quinn Patton, *Utilization-Focused Evaluation*, 4th ed. (Thousand Oaks, CA: Sage Publications, 2008).

28. Ibid, xvi.

29. Paul E. Peterson, "Making Up the Rules as You Play the Game," *Education Next* 5, no. 4 (2005): 42–48.

30. Gomez and Hentschke, "K–12 Education and the Role of For-Profit Providers."

31. Mark Schneider and Jorge Klor de Alva, "Cheap for Whom: How Much Higher Education Costs Taxpayers," AEI *Education Outlook* (October 2011), www.aei.org/outlook/education/higher-education/cheap-for-whom/.

32. Kevin Carey, "Student Learning: Measure or Perish," in *Measuring Stick*, a special report of the *Chronicle of Higher Education*, December 12, 2010, http://chronicle.com/article/Measure-or-Perish/125671/ (accessed April 2, 2012).

33. Ibid.

34. Kelly E. Cable, Jonathan A. Plucker, and Terry E. Spradlin, "Alternative Schools: What's in a Name?" Center for Evaluation and Education Policy, *Education Policy Brief* 7, no. 4 (winter 2009).

35. One could argue that the case of shareholder lawsuits against K^{12} Inc. suggests a market mechanism for promoting rigorous evaluation. Although this may be true, it is both unsystematic and expensive in practice.