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VALIDATING TEACHER EFFECT ESTIMATES USING CHANGES IN TEACHER  
ASSIGNMENTS IN LOS ANGELES

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**ABSTRACT**

In a widely cited study, Chetty, Friedman, and Rockoff (2014a; hereafter CFR) evaluate the degree of bias in teacher value-added estimates using a novel "teacher switching" research design with data from New York City. They conclude that there is little to no bias in their estimates. Using the same model with data from North Carolina, Rothstein (2014) argued that the CFR research design is invalid, given a relationship between student baseline test scores and teachers' value-added. In this paper, we replicated the CFR analysis using data from the Los Angeles Unified School District and similarly found that teacher value-added estimates were valid predictors of student achievement. We also demonstrate that Rothstein's test does not invalidate the CFR design and instead reflects a mechanical relationship, given that teacher value-added scores from prior years and baseline test scores can be based on the same data. In addition, we explore the (1) predictive validity of value-added estimates drawn from the same, similar, and different schools, (2) an alternative way of estimating differences in access to effective teaching by taking teacher experience into account, and (3) the implications of alternative ways of imputing value-added when it cannot be estimated directly.

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## Introduction

For nearly half a century, economists have been using panel data to estimate the impacts of teachers and schools on student achievement (e.g., Murnane (1975) and Hanushek (1971)). Because students are sorted to teachers based on student characteristics (such as achievement) which vary over time, analysts have had to rely on the short list of covariates available in education data systems (e.g., prior test scores, student demographics, indicators of free lunch program participation and grade retention) and not student fixed effects to capture the relevant characteristics used to sort students to teachers and schools (Rothstein (2010)). As such methods migrate from research into policy, the statistical assumptions underlying them are facing greater scrutiny.

In the past few years, various teams of researchers have been testing the predictive validity of teacher and school effect estimates. One widely cited study, Chetty, Friedman and Rockoff (2014a; hereafter CFR), used data from New York City to predict changes in achievement by school and grade using changes in the average value-added of the teachers assigned to those schools and grades.<sup>3</sup> If a teacher with a large positive value-added estimate leaves a school and joins a new one, one would expect achievement to rise in their new school and to fall in their former school—that is, if the teacher they are replacing is less effective and the estimates were truly attributable to the teacher and not the unmeasured characteristics of the students they left behind.<sup>4</sup> CFR could not reject the hypothesis that the value-added estimates were unbiased predictors of changes in student achievement. In this paper, we replicate their analysis using data from Los Angeles Unified School District.

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<sup>3</sup> CFR (2014a) do not identify the school district. However, during testimony in *Vergara v. California*, the authors subsequently identified the district as New York City.

<sup>4</sup> To avoid measuring achievement with the same data used to predict achievement, CFR (2014a) only used value-added data from outside the two-year window created by any annual change.

Our findings are summarized below: First, similar to CFR, we found that the teacher-value-added estimates were valid predictors of student achievement when teacher assignments changed. We could not reject the hypothesis that there was no forecast bias, with a confidence interval of  $\pm 9\%$ . Second, the heterogeneity in teacher effects was considerably larger in Los Angeles than in New York City. The consequences for math or English achievement of being assigned a top rather than a bottom quartile teacher in Los Angeles were nearly twice as large as in New York. Third, unlike CFR, we found statistically significant differences in average effectiveness of the teachers by student race/ethnicity and by prior achievement scores. Teachers differ more in Los Angeles than in the New York, and the allocation of teacher effectiveness in Los Angeles seems to expand gaps in achievement by race/ethnicity and prior achievement, rather than close them.

Rothstein (2014) applied the CFR design to data from North Carolina. Using the same methodology, Rothstein also could not reject the hypothesis of unbiasedness with a confidence interval of  $\pm 5\%$ . However, in the same paper, Rothstein argued that the CFR methodology was invalid, given the relationship between changes in the value-added of teachers in a grade and changes in students' prior-year test scores. We also find such a relationship, but offer a different interpretation. Rather than invalidating the CFR research design, we show that it reflects a mechanical relationship, resulting from the fact that prior test scores and the value-added estimates were sometimes estimated with the same data.

In addition to replicating the CFR and Rothstein analyses, we extended their work in three ways. First, we tested whether the predictive validity of value-added estimates differed for evidence drawn from the same school or from a different school. Recent work by Jackson (forthcoming) has suggested that a given teacher's effectiveness may vary from school to school,

depending upon the quality of the match between the teacher and the school. We could not reject the hypothesis that value-added data was an equally valid predictor whether from the same school, a similar school (as measured by school mean test scores) or a different school.

Second, the distributional analysis by CFR estimated teacher effects without taking teacher experience into account. However, many teachers who are effective later in their careers struggle in their early years of teaching. Since we find that minority and low-achieving students are more likely to be assigned to novice teachers in Los Angeles, it is important to allow for teaching quality to vary by level of experience when estimating the impact of this student-teacher assignment pattern. We find that, in Los Angeles, the combination of experience effects and teacher effects (adjusted for experience) are nearly twice as large as the teacher effects alone.

Third, for most of their analysis, CFR exclude teachers who lack value-added data in other years. When they assign such teachers the mean value-added of all teachers, their point estimates fall below one. Rothstein (2014) argues in favor of including the missing teachers and cites their finding as evidence of bias in value-added. We explore the implications of alternative assumptions regarding the effectiveness of teachers with missing value-added. Under each of those assumptions, we could not reject the hypothesis that the predictions were unbiased. In Los Angeles, reasonably imputing the expected impacts of those with missing value-added does not change the finding regarding the predictive validity of value-added.

### **Testing the Validity of Non-Experimental School and Teacher Effects**

In 1986, Robert J. LaLonde compared non-experimental estimates of a training program's impact against the "gold standard" of a randomly assigned comparison group. The earnings impacts generated using the non-experimental control groups were quite different from

those based on the randomized control group.<sup>5</sup> LaLonde's findings have led to a generalized skepticism of non-experimental methods in the study of education and training impacts.

However, it would be inappropriate to generalize the findings to all educational interventions. For instance, the process by which students are sorted to teachers (or schools) and the data available to account for such sorting are quite different from that faced by evaluators when welfare recipients choose a training program. While the reasons underlying a welfare recipient's choice generally remain hidden to a researcher, it is possible that school data systems contain the very data that teachers or principals are using to assign students to teachers. Of course, many other unmeasured factors matter for student achievement—such as student motivation or parental engagement. But as long as those factors are also invisible to school principals and teachers when they are making teacher assignment decisions, our inability to control for them would lead to imprecision, not bias. (More problematic would be student- or parent-driven selection of teachers, although the extent of such behavior is hard to measure directly.)

Unfortunately, given the practical difficulty of randomly assigning students to teachers or to schools, opportunities to replicate LaLonde's comparison of experimental and non-experimental estimates have been rare—until recently. For instance, several recent papers have exploited school admission lotteries to compare estimates of the impact of attending a charter school using the lottery-based comparison groups as well as statistical controls to compare charter school and traditional public school students. Abdulkadiroglu et al. (2011) and Angrist, Pathak, and Walters (2013) found similar estimates of the impact of a year in a Boston area

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<sup>5</sup> Dehejia and Wahba (1999) later demonstrated that non-experimental methods performed better when using propensity score methods to choose a more closely matched comparison group.

charter school whether they used the randomized control group or statistical controls to compare the performance of students at charter and traditional schools. Deutsch (2012) also found that the estimated effect of winning an admission lottery in Chicago was similar to that predicted by non-experimental methods. Deming (2014) found that non-experimental estimates of school impacts were unbiased predictors of lottery-based impacts of individual schools in a public school choice system in Charlotte, North Carolina.

To date, there have been five studies which have tested for bias in individual teacher effect estimates. Four of those—Kane and Staiger (2008), Kane, McCaffrey, Miller and Staiger (2013), Chetty, Friedman and Rockoff (2014) and Rothstein (2014)—estimate value-added for a given teacher in one period and then form empirical Bayes predictions of their students' expected achievement in a second period. The primary distinction between the four studies is the source of the teacher assignments during the second period. In Kane and Staiger (2008), 78 pairs of teachers in Los Angeles working in the same grades and schools were randomly assigned to different rosters of students, which had been drawn up by principals in those schools. The authors could not reject the hypothesis that the predictions based on teachers' value-added from prior years provided unbiased forecasts of student achievement during the randomized year. However, given the limited sample size, the confidence interval was large,  $\pm 35\%$  of the predicted effect.

Kane, McCaffrey, Miller and Staiger (2013) measured teacher's effectiveness using data from 2009-10 and then randomly assigned rosters to 1,591 teachers during the 2010-11 school year. The 2009-10 measures included a range of measures, including value-added, classroom observations and student surveys. The research team randomly assigned teachers to students in the second year of the study. The teachers were drawn from six different school districts: New

York City (NY), Charlotte Mecklenburg (NC), Hillsborough County (FL), Memphis (TN), Dallas (TX) and Denver (CO). They could not reject the hypothesis that the predictions based on 2009-10 data were unbiased forecasts. The confidence interval for potential bias was  $\pm 20\%$ .

Rather than use random assignment, CFR exploited naturally occurring variation in teacher assignments as teachers moved from school to school and from grade to grade. Using value-added estimates from other years, they predicted *changes* in scores in a given grade and school from  $t-1$  to  $t$  based on *changes* in teacher assignments over the same time period. Teacher assignments could change in several different ways: (1) even if the same teachers remained, the proportion of children taught by each teacher could change from  $t-1$  to  $t$ ; (2) a teacher could exit or enter from a different school; or (3) a teacher could exit or enter from a different grade in the same school. CFR used all three sources of variation to generate their estimates. Each time teacher assignments changed from year  $t$  to year  $t-1$ , CFR had a new opportunity to compare actual and predicted changes in student achievement.

Because they could observe many more teacher transitions over multiple years, the precision of the estimates in CFR was considerably higher than with either of the previous random assignment studies. Not only could they not reject the hypothesis that the predictions were unbiased, but the confidence interval on their main estimate was much smaller,  $\pm 6\%$ .

Rothstein (2014) recently replicated the CFR findings using data from North Carolina. Using the same methodology, Rothstein could not reject the hypothesis of unbiasedness with a confidence interval of  $\pm 5\%$ .

Glazerman et al. (2013) are the only team so far to use random assignment to validate the predictive power of teacher value-added effects between schools. To do so, they identified a

group of teachers with estimated value-added in the top quintile in their state and district. After offering substantial financial incentives, they identified a subset of the high value-added teachers willing to move between schools and recruited a larger number of low-income schools willing to hire the high-value-added teachers. After randomly assigning the high value-added teachers to a subset of the volunteer schools, they found that student achievement rose in elementary schools, but not in middle schools. Unfortunately, while their results suggest that teacher value-added estimates have the right sign (at least in elementary schools), they did not study whether the magnitude of the impacts were as expected (that is, they could not gauge the magnitude of potential bias).

## **Methods**

Like prior value-added studies, we use a set of control variables generally available in school district administrative data (e.g., prior student achievement, student demographics, average characteristics of students in the class and school average characteristics). However, following CFR, our value-added model differs from prior studies in two key ways:

First, we allow for drift over time as we forecast teacher value-added. Most value-added models assume—either implicitly or explicitly—that a teacher’s underlying effectiveness is fixed. Any fluctuations in measured effectiveness are assumed to reflect measurement error, not changes in underlying effectiveness. CFR found evidence to suggest that a teacher’s effectiveness has two components: a fixed component and a component representing a true change in effectiveness from one period to the next. As a result, we allow for a similar evolution a teacher’s effectiveness in Los Angeles (although, as we note below, there was a greater correlation between teacher effect measures over time in Los Angeles than in New York City.)

Second, we use only within-teacher variation in student, classroom and school-level traits when estimating the influence of those traits on student achievement. Most prior work on value-added models has used a combination of within-teacher and between-teacher variation in these background control variables to adjust for their effects on student achievement. The disadvantage of using both sources of variation is that it becomes impossible to disentangle systematic differences in teacher quality from the influence of the background controls themselves. In other words, when adjusting for student race including between-teacher variation, one is implicitly attributing to student race any possible differences in teacher quality associated with student race. However, by focusing on variation in student traits within teacher and by holding the teacher constant, we preserve the ability to study the relationship between estimated teacher effects and student traits.

Following CFR, we also predicted a teacher's impact on students in four steps: First, we estimated the relationship between student test scores and observable characteristics within teachers, using an OLS regression of the form,

$$(1) A_{it}^* = \beta X_{it} + \alpha_j + \varepsilon_{ijt}.$$

$A_{it}^*$  represents student  $i$ 's test score in year  $t$  (standardized to have a mean of zero and standard deviation of one),  $X_{it}$  includes (1) indicators for gender, race/ethnicity, free and reduced price lunch eligibility, new to school, homelessness, mild or severe special education classification, English language learner classification and prior retention in the current grade; (2) student test scores in both subjects in the prior year (interacted with grade); (3) means of all the demographics and test scores at the school and grade level; and (4) grade-by-year fixed effects. Importantly,  $\alpha_j$  is a teacher fixed effect.

Second, we calculated the residual student test scores after adjusting for students' observable characteristics using the following equation:

$$(2) A_{it} = A_{it}^* - \hat{\beta}X_{it}.$$

The residual student test scores included the estimated teacher fixed effects,  $\hat{\alpha}_j$ . We took the average of the residuals,  $A_{it}$ , in each classroom taught by a given teacher,  $\bar{A}_{ct}$ . We then calculated a weighted average of a teacher's effect in a given year,  $\bar{A}_{jt}$ , by averaging the classroom-level residuals (with classrooms subscripted by  $c$  below):

$$(3) \bar{A}_{jt} = \sum_c w_{ct} \bar{A}_{ct}.$$

See CFR for the description of the weights,  $w_{ct}$ .

Third, we estimated drift in value-added flexibly by estimating a different parameter for each possible time lag  $s$  (i.e., school year). In effect, we allow an estimate from five years in the past to have less predictive value than an estimate from one year in the past. In such cases, the weight attached to a time lag of length  $s$  ( $\gamma_s$ ) will be smaller when the absolute value of  $s$  is larger. See CFR (2014a) for details on how the weights are constructed. (The teacher fixed effect approach used in prior studies would have granted equal weights to every past year when predicting a teacher's effect next year.)

Fourth, we put all of these pieces together to estimate different teacher effects,  $\hat{\mu}_{jt}$ , for each year  $t$  and teacher  $j$ , using a "leave-out" or "jack-knife" approach. Let  $\vec{A}_j^{-t}$  indicate the vector of estimates from years other than year  $t$ . Then teacher  $j$ 's jack-knife predicted impact in year  $t$ ,  $\hat{\mu}_{jt}^{-t}$ , is simply the weighted average of the residuals from years other than year  $t$ , with the weights derived from the drift parameters,  $\gamma_s$ :

$$(4) \hat{\mu}_{jt}^{-t} = \gamma' \vec{A}_j^{-t}$$

## Data

For this paper, we obtained information on student demographic characteristics, test scores, and school and teacher assignments from administrative data provided by Los Angeles Unified School District for 7 academic years, from 2004-05 through the 2010-11 school year. Before imposing sample restrictions, we observed roughly 1.1 million children and 3.9 million student-year combinations in grades 3-8. We had 58 thousand unique teachers and 280 thousand teacher-year combinations in grades 3-8.

*Test scores:* For those students with a baseline test score in one year, we observed a follow-up test score for 80% of students in the following spring (this does not include 8<sup>th</sup> graders or the last year, spring 2011). We standardized scaled scores to have mean zero and standard deviation of one by grade and year.

*Student Demographics:* We obtained administrative data on a range of other demographic characteristics for students. These variables included gender, race/ethnicity (Hispanic, white, black, other or missing), indicators for those ever retained in grade, those eligible for free or reduced price lunch, those designated as homeless, participating in special education, and English language learner status.

*School and Teacher Assignment Information:* We obtained administrative data indicating students' grades, schools, and teachers of record (for math and English) in each school year. (We also use the administrative data to derive an indicator for students new to a school and retained in the current grade.)

*Sample Restrictions:* To construct an analysis sample, we used a series of sample restrictions that closely mirror other value-added work. First, we included students in grades 3-8 who could be linked to a math or English teacher. Second, we excluded the 2% of observations in classrooms where more than 50% of the students were identified as special education students. Third, we removed classrooms with extraordinarily large (more than 45) or extraordinarily small (less than 5) enrolled students, which excluded 1% of students with valid scores.

After these sample restrictions, we had 3 million observations with information on teacher assignments, test score gains and demographics. We combined all of these data elements together into one dataset with one row per student per subject (math or English) per school year. Each row contained the student test score (both current and prior year), student demographic information, and school and teacher assignment information.

*Sample Statistics from Combined Data:* We report sample statistics for relevant data and student characteristics in Table 1. The first two rows present information on the number of unique students and classrooms. We observed 591,803 unique students, with an average of 5.08 subject-school years. We observed 141,853 unique classrooms, with an average class size of 24.37 students.

Although the scores were standardized, they were standardized on the full sample of students (before any sample restrictions), including special education students. As a result, the analysis sample was slightly higher achieving and slightly less diverse than the population. The average standardized test score was slightly larger than zero, .13, and the standard deviation was slightly smaller than one, .983. A high percentage of students (78%) in Los Angeles were

eligible for free and reduced-priced lunch. There was also a high percentage of Hispanic students (75%) and high percentage of students who have limited English proficiency (28%).

### **Heterogeneity and Drift in Teacher Effects**

Our estimate of the heterogeneity in teacher effects was considerably larger in Los Angeles than CFR's estimate for New York City. CFR estimated that a standard deviation in teacher impacts was equivalent to .124 and .163 student-level standard deviations in achievement in elementary school English and math respectively, and .079 and .134 in middle school (CFR 2014a, Table 2, Panel B). The comparable estimates in Los Angeles were .189 and .288 in elementary English and math respectively, and .097 and .206 in middle school English and math. There are many reasons that variance in teacher effectiveness might be higher in Los Angeles than in other urban district. In particular, Los Angeles has traditionally had a more centralized hiring process, which gives principals less authority in selecting new hires and has a shorter probationary period before teachers get tenure. It could also be that their testing outcomes are more sensitive to teacher influences.

In Figures 1 and 2, we present the distribution of predicted teacher effects for elementary and middle school teachers respectively. (The mean teacher effect is set to zero.) The distribution of predicted teacher effects is somewhat narrower than the underlying differences in teacher effects reported in the paragraph above, because the prediction method "shrinks" each teacher's estimate toward zero. Nevertheless, the implied difference in effectiveness between the most effective and least effective teachers is quite large, especially in mathematics. For instance, a teacher at the 75<sup>th</sup> percentile or above would be predicted to raise achievement in his or her class by .3 student-level standard deviations, relative to the average classroom in elementary

math. Conversely, a teacher at the 25<sup>th</sup> percentile would be expected to reduce student achievement by a similar amount.

CFR report comparable figures to Figures 1 and 2 in their Appendix Figure 1. The standard deviation of predicted teacher impacts in the district they studied was .080 and .116 in elementary English and math respectively, and .042 and .092 in middle school. Assuming a normal distribution, the predicted impact of being assigned a top quartile teacher in elementary math would have been .145 standard deviations, roughly half as large as the comparable estimate in Los Angeles.

In Figure 3, we report the correlations between the weighted mean achievement residuals by teacher and year,  $\bar{A}_{jt}$ , at various time lags. There was considerably less drift in the teacher effect estimates in Los Angeles relative to New York City. For example, in elementary math, we find a correlation in teachers' weighted-mean residuals one year apart of roughly .66. The comparable figure in CFR was .43. The higher correlations over time likely reflect the greater heterogeneity in underlying teacher effects in Los Angeles.

### **Changes in Student Achievement following Changes in Teacher Assignments**

Following CFR, we tested the predictive validity of the value-added estimates by studying the changes in achievement in each school and grade corresponding with changes in teacher assignments. More precisely, we predicted the change in average student achievement given changes in the weighted average of teacher value-added in that school and grade. The average predicted value-added,  $Q_{sgst}$ , is simply the weighted average of the predicted teacher effects,  $\hat{\mu}_{jt}^{-[t,t-1]}$ , for the teachers assigned to that grade and subject, weighted by their enrollments. The change from year t-1 to t is  $\Delta Q_{sgst}$ . (Since this section focuses on *changes*

from  $t-1$  to  $t$ , we only used the teacher effect estimates for the years outside the two-year window,  $t$  to  $t-1$ , to form the predictions.) We calculate the change in average raw test scores at each school-grade-subject-year cell from year  $t-1$  to  $t$ ,  $\Delta A_{sgst}^*$  and then estimate the following equation:

$$(5) \Delta A_{sgst}^* = \beta_0 + \beta_1 \Delta Q_{sgst} + \varepsilon_{sgst}$$

In Table 2, Column 1 is the preferred specification from the CFR paper. They report a parameter estimate of .974 and a standard error of .033, which implies a forecast bias of -2.6% (100-97.4) and a confidence interval of  $\pm 6.5\%$ . Our estimate in column (1) is quite similar, 1.030, and implies a forecast bias of 3.3% (103.3-100). The confidence interval around the estimate is  $\pm 8.6\%$  ( $\pm 1.96 * .044$ ).

Figure 4 presents the graphical version of the results in column 1. First, we sorted each school-grade-subject-year cell into one of 20 groups, based on the magnitude of the predicted change in value-added,  $\Delta Q_{sgst}$ . Then we calculate the average change in actual scores in each of the 20 groups,  $\Delta A_{sgst}^*$ . Figure 4 reports the scatter plot of the means of predicted change in scores and actual change in scores for all 20 groups. Two facts are evident. First, the changes in actual scores matched the changes in predicted scores throughout the distribution. Second, especially at the tails, the magnitude of the change is quite large. Figure 4 reports changes in average scores for whole grade levels within a school. In 10% of all school-grade-subject cells, we would have predicted changes in scores of  $\pm .15$  standard deviations based simply on changes in the teacher assignments in those school-grade-subject cells (5% of cells predicted to have an increase of .15 and 5% with a decrease of .15 standard deviations). The results suggest that the average change in actual achievement roughly corresponded with those predictions.

Columns (2) and (3) of Table 2 report results separately for middle school grades (6-8) and elementary grades (4 and 5) respectively. The coefficients for middle school and elementary school, 1.122 and .996, are not statistically distinguishable from one.

The last two columns of Table 2 report various robustness checks. One concern is that teacher turnover may coincide with other changes in a school. As a result, instead of imposing an assumption that the year effects are common across schools, column (4) allows for different year effects by school. In effect, these estimates are only relying on *differential* changes in scores and predicted value-added by grade and subject within a school. (The mean change in scores and predicted value-added that is shared across multiple grades and subjects is being subtracted out.) The coefficient is .963 with confidence interval of  $\pm 9\%$ . Column (5) adds controls for changes in the predicted mean value-added of teachers in the school-grade-subject in the prior and subsequent years. The coefficient is .942 with a confidence interval of  $\pm 11\%$ . In all of these specifications, the confidence interval contains one and does not include zero.<sup>6</sup>

### **Teachers with Missing Value-Added**

Throughout most of their analysis, CFR excluded from consideration classrooms taught by teachers with no value-added estimate outside of the two-year window. In Table 2, we have applied the same restriction. However, as a robustness check, CFR included teachers with missing value-added data, imputing their value-added to be zero (i.e., attributing to the missing teachers the mean teacher effectiveness). The coefficient on predicted achievement fell to .877,

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<sup>6</sup> In addition to controls for school-by-year fixed effects and lead and lag changes in teacher value-added, CFR include a specification that controls for the change in scores for the same subject and other subject in the prior year. We also replicated this finding, but do not report the changes in Table 2, since it is not appropriate to include this control, as we discuss in the section on the use of lagged scores below. For comparative purposes, when estimating a model with school-by-year fixed effects, controls for lead and lagged changes in teacher value-added, and lagged score controls, we estimate a coefficient on changes in mean across cohort value-added of .87, with a confidence interval of  $\pm 7\%$ .

an estimate which was statistically different from one (CFR 2014a, Table 5, Column 2). The authors interpreted the decline as being attributable to measurement error.

In Table 3, we report the preferred specification from CFR in column (1) and then apply several alternative approaches to imputing value-added for those with missing values. First, we assign the whole-sample mean effectiveness, 0, to any teacher with missing value-added. As reported in column (2), we find an estimate of .993, with a confidence interval of  $\pm 10\%$ . In other words, the estimates in Los Angeles were less sensitive to the assumption of average value-added than in the district studied by CFR. For column (3), we re-estimated equation (1) including controls for teacher experience, with indicators for each single year of experience from one through nine years and one additional indicator for teachers with 10 or more years of experience. Therefore, in addition to  $\hat{\mu}_{jt}^{-[t,t-1]}$ , we can use teaching experience to impute value-added for those with missing  $\hat{\mu}_{jt}^{-[t,t-1]}$ . The coefficient was .996 with a confidence interval of  $\pm 9\%$ . Next, we exploit the fact that many teachers with missing value-added outside the two-year window had value-added estimates during the window (for example, early career teachers who leave before their third year would have value-added in their first two years but would necessarily have missing two-year leave-out value-added for all years). The grand mean value-added for these teachers was -.049 during the two-year window. Therefore, in column (4) of Table 3, we use -.049 to impute value-added for missing teachers. The coefficient was essentially unchanged at .998 with a confidence interval of  $\pm 10\%$ . Finally, in column (5) we perform the simple exercise of restricting the sample to only include cells where no teachers are missing two-year leave-out value-added estimates. Again, the coefficient remains substantially unchanged at .973 with a confidence interval of  $\pm 9\%$ . Based on these findings, we conclude that

the treatment of teachers with missing value-added has little effect on the estimates in Los Angeles.

### **Additional Robustness Checks**

Table 4 presents two more robustness checks. The first two columns add changes in predicted effectiveness of teachers in the other subject in a grade level and school. Changes in predicted effectiveness in other subjects capture underlying changes in the quality of teaching in the school, such as might occur with changes in school leadership. Column (1) reports the results for grades 6-8, while column (2) reports results for grades 4 and 5. In the grades 6-8, where teachers generally specialize by subject, those teaching other subjects are literally different people. A positive coefficient implies that there is some evidence of “spillover”. For instance, in middle school, when the quality of teaching improves in one subject, achievement does seem to improve in the other subject as well, by .282 standard deviations with a confidence interval of  $\pm 20\%$  (which excludes zero). However, the coefficient on “own subject” remains at 1.078 with a confidence interval which includes one (implying that the changes in effectiveness in the other subject are not highly correlated with changes in effectiveness within a given subject). In elementary school, the coefficient is .160, but more precisely estimated with a confidence interval of  $\pm 5\%$ . This is not surprising, since elementary teachers typically teach multiple subjects to the same students. Also, the coefficient on “own subject” falls significantly below 1 to .904. However, this result reflects the fact that our predictions of teacher value-added in each subject only used information from the teacher’s performance in the same subject. In a more complete model of elementary teachers, the prediction of teacher value-added in each subject would depend on the teacher’s value-added in both subjects (Lefgren and Sims, 2012).

Thus, when we include other subject value-added in elementary, other subject value-added receives some weight while own subject value-added receives less weight.

The change in predicted teacher effectiveness can arise from a number of different types of changes—changes in the proportion of students taught by each teacher in a grade and subject, teachers switching from one grade to another, or teachers exiting or entering a school. The key assumption in the CFR methodology is that teachers are not sorting to students in the same way from year to year. This seems safest to assume when a teacher leaves or enters a school, since the new teachers will typically be unfamiliar with the principal and students. As a result, for the instrumental variable estimate in column 3, we instrument for  $\Delta Q_{sgst}$  by multiplying the fraction of students in the prior year's school, grade, subject, year cell taught by teachers who leave the school by the mean effectiveness estimates of these leavers. Therefore, the estimates in column (3) of Table 4 are focusing on the variation in teacher effectiveness driven by teacher exit. Still, the coefficient is not statistically different from one, .972, with a confidence interval of  $\pm 16\%$ .

### **The Lagged Score “Placebo” Test**

There is no control for the change in student baseline scores in Equation (5). Like CFR, we are effectively assuming that the change in predicted value-added is exogenous to any change in baseline achievement. In a recent paper, Rothstein (2014) reports a statistically significant relationship between change in teacher value-added and changes in baseline achievement as *prima facie* evidence of bias in the CFR method. We find similar results, but offer a different interpretation. We find that the predicted change has a coefficient of .268 when lagged scores are the dependent variable. However, rather than invalidating the CFR methodology, the lagged score test merely demonstrates the hazards of using the same data to estimate the dependent and

independent variables. There is a mechanical relationship between the two, which enters through two routes. First, because teachers frequently switch grades in a school from one year to the next, the value-added predictions will be based on the some of the very same data included in the baseline scores. CFR's two-year leave-out window was designed to resolve this problem when  $\Delta A_{sgst}^*$  was the dependent variable. Rothstein reintroduces the problem when he uses  $\Delta A_{sgst-1}^*$  as the dependent variable. If a school sees a large improvement in the predicted value-added of teachers in grade g, some of the new teachers will have just taught grade g-1 in the previous year. Second, Kane and Staiger (2002) document the existence of school by subject-year random effects, which could also produce a relationship between  $\Delta Q_{sgst}$  and  $\Delta A_{sgst-1}^*$ . If these shocks are serially correlated, such a relationship could persist even with a three-year leave-out window.

Accordingly, in Table 5, we present a number of specifications to explore the relationships between changes in value-added and lagged scores. The table reports the coefficients on the change in average value-added,  $\Delta Q_{sgst}$ , with a range of different specifications. For the specifications in the top row, the dependent variable is change in end-of-year achievement,  $\Delta A_{sgst}^*$ ; in the bottom row, the dependent variable is the change in lagged score (or baseline score) achievement,  $\Delta A_{sgst-1}^*$ . The first column replicates CFR's preferred specification. When the change in end of year scores is the dependent variable, the coefficient is indistinguishable from one. When the change in lagged scores is the dependent variable, the coefficient is .268, with a confidence interval of  $\pm 8\%$ . In the second column, we instrument for the change in value-added excluding those teachers who taught in the previous grade in the previous year. The coefficient when change in lagged scores is the dependent variable remains statistically significant, but has fallen to .178. In the third column, we add fixed effects by school, year and subject. The coefficient when change in lagged scores is the dependent variable

again falls to .105, although it remains statistically significant. In the fourth column, we instrument for the change in lagged score excluding teachers who ever switched grades within a school. Under this final specification, the coefficient on lagged score is .049 with a confidence interval of  $\pm 11\%$  and is not statistically significant. Throughout Table 5, all of the coefficients on end of year score are statistically significant and none are distinguishable from one. In sum, we conclude that any relationship between predicted value-added and baseline scores is operating through a combination of teacher switching and shared school-by-year-by-subject effects. When we take steps to adjust for these sources of a mechanical relationship, the coefficient on predicted value-added goes to zero when predicting baseline scores, but remains equal to one in predicting end of year scores.

### **Are Teacher Value-Added Estimates Context-Specific?**

Even if value-added estimates are unbiased predictors within a given school environment, the same teacher could be more or less effective in a different school. Using data from North Carolina, Jackson (forthcoming) estimates that teacher-school match effects account for roughly one-third of the variance in teacher effects. To test the possibility that teacher effects vary by context, we first divide the data available for each teacher's value-added into value-added estimates using observations only from the same school and those from all available schools.

Suppose  $\hat{\mu}_{j,same}^{-[t,t-1]}$  represents the teacher effect estimate for teacher  $j$  using only data from the same school and  $\hat{\mu}_{j,all}^{-[t,t-1]}$  the estimates from the full dataset. Because data from the same school are just a subset of the data from all schools, the law of iterated expectations implies that  $\hat{\mu}_{j,same}^{-[t,t-1]}$  and  $\hat{\mu}_{j,all}^{-[t,t-1]} - \hat{\mu}_{j,same}^{-[t,t-1]}$  are orthogonal, and the latter term represents the component of  $\hat{\mu}_{j,all}^{-[t,t-1]}$  that reflects the additional information from teacher performance in others schools.

Therefore, in Table 6, we include both  $\hat{\mu}_{j,same}^{-[t,t-1]}$  and  $\hat{\mu}_{j,all}^{-[t,t-1]} - \hat{\mu}_{j,same}^{-[t,t-1]}$ . Consistent with Jackson's findings regarding teacher-school matches, the point estimate on value-added estimate of the same school, 1.054, is larger than the coefficient on the difference between that from all schools and similar schools, .817. However, we could not reject the hypothesis that both coefficients were equal to one (p value=.163).

For the second column of Table 6, we divide the data for each teacher and year into three sequentially nested groups: data from the same school, data from the same or similar schools (with mean scores within .1 standard deviations) and data from all schools. We use such data to create three orthogonal variables:  $\hat{\mu}_{j,same}^{-[t,t-1]}$ ,  $\hat{\mu}_{j,similar}^{-[t,t-1]} - \hat{\mu}_{j,same}^{-[t,t-1]}$  and  $\hat{\mu}_{j,all}^{-[t,t-1]} - \hat{\mu}_{j,similar}^{-[t,t-1]}$ . Again, the coefficient on the teacher effect estimates from the same school, 1.054, is larger than the coefficient on latter two differences, .760 and .838. Nevertheless, we could not reject the hypothesis that the coefficients were all equal to one (p-value=.275). In other words, we could not reject the hypothesis that a teacher's value-added estimate from a different school or from a school with considerably higher or lower mean test scores were equally predictive of their students' achievement.

### **The Distribution of Teaching Effectiveness (Including Teaching Experience)**

A central question in current policy debate is the degree to which different groups of students have access to the same quality teaching. For instance, in *Vergara v. California*, the plaintiffs argued that the least effective teachers were disproportionately assigned to low-income, minority and lower achieving students. When testing for differences in mean teacher effectiveness by student characteristics, the empirical challenge is to disentangle systematic differences in teacher quality from the direct effects of those same student characteristics. For

instance, if one were to estimate equation (1) without teacher fixed effects, and included class-level or school-level mean baseline achievement among the covariate controls,  $X$ , there would be no relationship between teacher value-added and the covariates in  $X$ . However, this would be true by construction, since value-added is calculated as the residual from equation (1). An important strength of the CFR methodology is that by including teacher fixed effects in equation (1), they preserve the possibility that teacher effects could be correlated with the covariate controls,  $X$ .

Following CFR, Table 7 uses the teacher effect estimates,  $\hat{\mu}_{jt}$ , as the dependent variable and estimates the relationship between teacher effectiveness and observable student characteristics both at the student-level and the school-level. Column 1 presents estimates of the relationship between teacher effect estimates,  $\hat{\mu}_{jt}$ , and student-level prior-year test scores  $A_{i,t-1}$ . The point estimate of .024 is statistically significant, and implies that a one-standard deviation increase in prior achievement is associated with being assigned a teacher with .024 higher predicted effectiveness. In other words, rather than being used to narrow achievement gaps, teacher assignments in Los Angeles exacerbate prior achievement differences, with weaker students being assigned weaker teachers. The point estimate is roughly three times as large as the point estimate observed by CFR.

In column 2, we present the analogous estimates by student race/ethnicity. (The reference category is white, non-Hispanic students.) Relative to white students, African-American, Asian, and Hispanic students in Los Angeles are assigned less effective teachers, on average. African-American students are assigned teachers with average value-added .030 student-level standard deviations below average. In other words, the average African American student in Los Angeles is losing .03 standard deviations in achievement each year relative to

white students with similar prior achievement, because of the lower effectiveness of the teachers to which they are assigned. Latino students, who comprise 75% of students in Los Angeles, are losing .043 standard deviations per year relative to similar white students in Los Angeles, because of the teachers they are assigned.

Column (3) presents the results after adding fixed effects by school. With school fixed effects included, the estimates are based on differences within school. The estimates are statistically significant and negative for African-American and Latino students, but they are much smaller, -.01 rather than -.030 and -.043 respectively.<sup>7</sup> In other words, much of the difference in teacher quality by race/ethnicity is due to the mal-distribution of teacher effectiveness between schools, although there is still evidence that African-American and Latino students are assigned less effective teachers within the same schools. (The results also imply that the difference between non-Hispanic whites and Asians is entirely due to between-school differences. Within schools, the white-Asian difference is not statistically significant.)

Column (4) illustrates a similar point by regressing teacher value-added against the fraction of students in each school in various racial/ethnic groups. Schools with more African-American and Latino students have lower teacher quality, on average.

One weakness in the CFR methodology is that in estimating,  $\hat{\mu}_{jt}$ , they take no account of teaching experience. However, in many school districts, teachers start their careers teaching more disadvantaged students and, as they gain experience, move to teaching higher income and higher-achieving students (Boyd, Loeb and Wyckoff (2008), Kalgorides, Loeb and Beteille (2013), Jackson (forthcoming)). Value-added estimates typically rise sharply during teachers'

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<sup>7</sup> As CFR note, these estimates *understate* the differences in true value-added across groups since the dependent variable is a 'shrunk' estimate of true teacher value-added.

first several years of teaching and then flatten out afterward. Failing to account for teacher underperformance during the early years of teaching may understate the differences in teacher quality for more and less advantaged students.

To investigate this possibility, we re-estimated equation (1) including 10 indicators of a teacher's number of years of experience (we used an indicator variable for each of the first nine years of experience and one indicator for all teachers with 10 or more years of experience). Instead of using  $\hat{\mu}_{jt}$  as the dependent variable, the top panel of Table 8 uses the teachers' experience multiplied by the relevant experience effect as the dependent variable. As reported in column (1), there's a .017 standard deviation difference in teacher effectiveness per standard deviation in student baseline achievement based simply on teaching experience. Analogously, African-American and Latino students are losing .039 and .018 standard deviations respectively relative to whites based simply on the differential in the average experience of their teachers. Most of the experience effects seem to be operating at the school level, as only the difference associated with the baseline achievement, .004, is statistically significant after including school effects in columns 2 and 4.

In the bottom panel of Table 8, we use the sum of the adjusted teacher effects,  $\hat{\mu}_{jt}$  (which have been re-estimated to adjust for the teacher experience effects) and the experience effects as the dependent variable. While  $\hat{\mu}_{jt}$  may be useful for summarizing the differences in "teacher" effectiveness, the sum of  $\hat{\mu}_{jt}$  and the experience effects is a better measure of the difference in "teaching effectiveness"—acknowledging the fact that the average teacher improves during their initial years of teaching. The combined effects are substantially larger than in Table 7. Rather than a .024 difference in teacher effectiveness per standard deviation in baseline performance,

the difference is .042 standard deviations in teaching effectiveness, once experience effects are included. The deficit in teaching effectiveness for African American and Latino students relative to whites is .069 and .063 standard deviations respectively.

## **Conclusion**

There is now substantial evidence that non-experimental teacher effect measures (often called “value-added” measures) capture important information about the causal effects of teachers on student achievement. Since 2008, three studies using random assignment in different sites have confirmed the validity of teacher-level value-added estimates (Kane and Staiger (2008), Kane, McCaffrey, Miller and Staiger (2013), and Glazerman, Protik, Teh, Bruch, Max, and Warner (2013)). In addition, the CFR methodology has produced little evidence of bias in three sites so far: New York City, Los Angeles and North Carolina. Rarely in social science have we seen such a large number of replications in such a short period of time. Even more rare is the high degree of convergence in the findings.

Despite the lack of evidence of prediction bias, questions linger in three areas:

First, we have much to learn about the role of school context and “match quality” in teacher effect estimates. Although we could not rule out the hypothesis that teacher effect estimates derived from a teacher’s experience in another school were equally valid predictors as the same-school estimates, we had too little power to rule out Jackson’s (forthcoming) findings on the importance of match quality as a component of teacher effectiveness.

Second, the field must narrow the range of statistical specifications which practitioners should expect to yield valid predictions. For instance, it has become conventional among economists to condition on classroom and school mean characteristics when estimating value-

added models. However, very few district or state systems currently include controls for peer effects when generating value-added estimates for their employment and pay decisions.

Unfortunately, we had little statistical power using the CFR method to test the importance of peer controls simply because of the limited variation in peer control variables when aggregated at the school-by-year level. We need more studies specifically designed to test for the importance of peer controls and other specification decisions.

Finally, although none of the validity studies so far have produced evidence of bias, we know very little about how the validity of the value-added estimates may change when they are put to high stakes use. All of the available studies have relied primarily on data drawn from periods when there were no stakes attached to the teacher value-added measures. In the coming years, it will be important to track whether or not the measures maintain their predictive validity as they are used for tenure decisions, teacher evaluations and merit pay.

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**Table 1. Summary Statistics**

	<b>Mean</b>	<b>SD</b>	<b>Observations</b>
<b>Dataset Characteristics:</b>			
Number of subject-school years per student	5.08	2.91	591,803
Class size (not student-weighted)	24.37	6.25	141,853
<b>Student Characteristics:</b>			
Test Score (student-level standard deviation units)	0.13	0.98	3,008,965
Male	49.55%	0.50	3,009,024
African-American	9.01%	0.29	3,009,024
Asian	6.79%	0.25	3,009,024
Hispanic	75.11%	0.43	3,009,024
White	9.09%	0.29	3,009,024
Repeating Grade	0.07%	0.03	3,009,024
Free or Reduced Price Lunch Eligible	77.63%	0.42	3,009,024
Homeless	1.08%	0.10	3,009,024
Mild SPED	4.82%	0.21	3,009,024
Severe SPED	1.21%	0.11	3,009,024
ELL - Reclassified to Fluent English Proficient	29.93%	0.46	3,009,024
ELL - Limited English Proficient	28.32%	0.45	3,009,024
ELL - Initially Fluent English Proficient	12.17%	0.33	3,009,024

Notes: This sample of students and teachers is limited to those with the requisite information for estimating value-added (e.g., students must have prior-year test scores). For more discussion of these sample restrictions, see the sample restrictions section of the paper.

**Table 2. Quasi-Experimental Estimates of Forecast Bias**

	Same Subject				
	<b>b / (se)</b>				
Changes in mean teacher VA across cohorts	1.030 (0.044)	1.122 (0.131)	0.996 (0.037)	0.963 (0.048)	0.942 (0.055)
Year Fixed Effects	Yes	Yes	Yes		
School-by-Year Fixed Effects				Yes	Yes
Lagged and Forward Teacher VA					Yes
Grades	4 to 8	6 to 8	4 and 5	4 to 8	4 to 8
N	14,186	3,434	10,752	14,186	9,170

Notes: Each column reports coefficients and standard errors (in parentheses) from an OLS regression, where the dependent variable is the change in mean test scores within a school-grade-subject cell from the prior year to the current year. Standard errors are clustered at the school-cohort level. The regressions are estimated in a dataset aggregated to school-grade-subject-year cells and weighted by the number of students in the school-grade-subject-year cell. Classrooms in which two-year leave-out value-added estimates cannot be constructed are excluded.

**Table 3. Quasi-Experimental Estimates of Forecast Bias Robustness Check: Sensitivity to Missingness**

	<b>Missing VA Excluded (Main Model)</b>	<b>Missing VA set to 0</b>	<b>Missing VA Imputed by Teaching Experience</b>	<b>Missing VA set to <b>-.049</b> (average residual of teachers with missing leave-out VA)</b>	<b>Only Cells with No Teachers Missing VA</b>
	<b>b/ (se)</b>	<b>b/ (se)</b>	<b>b/ (se)</b>	<b>b/ (se)</b>	<b>b/ (se)</b>
Changes in mean teacher VA across cohorts	1.030 (0.044)	0.993 (0.049)	0.996 (0.048)	0.998 (0.049)	0.973 (0.048)
Year Fixed Effects	Yes	Yes	Yes	Yes	Yes
N	14,186	14,292	14,292	14,292	8,974

Notes: Each column reports coefficients and standard errors (in parentheses) from an OLS regression, where the dependent variable is the change in mean test scores within a school-grade-subject cell from the prior year to the current year. Standard errors are clustered at the school-cohort level. The regressions are estimated in a dataset aggregated to school-grade-subject-year cells and weighted by the number of students in the school-grade-subject-year cell. Column 1 repeats the same specification reported in column 1 of Table 2, which excludes teachers for whom two-year leave-out value-added estimates cannot be constructed. Column 2 includes these teachers, by setting their VA to 0, the full-sample VA mean. Column 3 includes these teachers by imputing VA based on experience. Column 4 includes these teachers by setting their VA to -0.49, which is the average VA of teachers for whom two-year leave-out VA cannot be calculated. Column 5 includes only cells where no teachers are missing two-year leave-out value-added estimates.

**Table 4. Additional Robustness Checks: Predicted Effectiveness in Other Subjects and Using Teacher Exit as an Instrument**

	Other Subject		Teacher Exit Only (IV)
	b / (se)	b / (se)	b / (se)
Changes in mean teacher VA across cohorts	1.078 (0.126)	0.904 (0.031)	0.972 (0.082)
Change in mean teacher other subject VA across cohorts	0.282 (0.100)	0.160 (0.026)	
Year Fixed Effects	Yes	Yes	Yes
Grades	6 to 8	4 and 5	4 to 8
N	3,394	10,752	14,186

Notes: Each column reports coefficients and standard errors (in parentheses) from an OLS regression (Columns 1 and 2) or a 2SLS regression (Column 3), where the dependent variable is the change in mean test scores within a school-grade-subject cell from the prior year to the current year. Standard errors are clustered at the school-cohort level. The regressions are estimated in a dataset aggregated to school-grade-subject-year cells and weighted by the number of students in the school-grade-subject-year cell. Classrooms in which two-year leave-out value-added estimates cannot be constructed are excluded. Columns 1 and 2 restrict the sample to middle school and elementary school, respectively and control for other subject changes in mean teacher VA across cohorts in addition to same subject. Column 3 reports estimates from a 2SLS regression, instrumenting for changes in mean teacher VA with the fraction of students in the prior cohort taught by teachers who leave the school multiplied by the mean VA among those teachers.

**Table 5. The Lagged Score “Placebo” Test**

<b>Dependent Variable:</b>	<b>Baseline Model</b>	<b>No Followers (IV)</b>		<b>No Within-School Movers (IV)</b>
	<b>b / (se)</b>	<b>b / (se)</b>	<b>b / (se)</b>	<b>b / (se)</b>
Change in Current Score	1.030 (0.044)	0.995 (0.049)	0.950 (0.042)	0.963 (0.056)
Change in Lagged Score	0.268 (0.039)	0.178 (0.044)	0.105 (0.041)	0.049 (0.055)
Year Fixed Effects	Yes	Yes		
School x Year x Subject Fixed Effects			Yes	Yes
N	14,186	14,186	14,186	14,186

Notes: Each column reports coefficients and standard errors (in parentheses) from an OLS (Column 1) or a 2SLS (Columns 2-4) regression, where the dependent variable is the change in mean test scores within a school-grade-subject cell from the prior year to the current year. Standard errors are clustered at the school-cohort level. The regressions are estimated in a dataset aggregated to school-grade-subject-year cells and weighted by the number of students in the school-grade-subject-year cell. Classrooms in which two-year leave-out value-added estimates cannot be constructed are excluded. Column 1 repeats the same specification reported in column 1 of Table 2, which includes all teachers for whom two-year leave-out value-added estimates exist. Columns 2 and 3 report estimates from a 2SLS regression, instrumenting for changes in mean teacher VA with the changes in mean VA excluding teachers who switch from the previous grade to current grade (i.e., they “follow” the students). Column 4 reports estimates from a 2SLS regression, instrumenting for changes in mean teacher VA with the changes in mean VA excluding teachers who switch across grades within a school.

**Table 6. Predicted Effectiveness from Using Estimates from Same, Similar, and Different Schools**

	<b>b / (se)</b>	<b>b / (se)</b>
VA Same School	1.054 (0.046)	1.053 (0.046)
(VA All Schools) - (VA Same School)	0.817 (0.125)	
(VA Similar Schools) - (VA Same School)		0.760 (0.318)
(VA All Schools) - (VA Similar Schools)		0.838 (0.124)
Joint Test That All Coefficients Equal 1 (p-value)	(0.163)	(0.275)
Year Fixed Effects	Yes	Yes
N	14,182	14,182

Notes: Each column reports coefficients and standard errors (in parentheses) from an OLS regression, where the dependent variable is the change in mean test scores within a school-grade-subject cell from the prior year to the current year. Standard errors are clustered at the school-cohort level. The regressions are estimated in a dataset aggregated to school-grade-subject-year cells and weighted by the number of students in the school-grade-subject-year cell. Classrooms in which two-year leave-out value-added estimates cannot be constructed are excluded. Column 1 divides the data available for a teacher's value-added into information from when a teacher was in the same school and information from all other schools. Column 2 divides the data available for a teacher's value-added into information from when a teacher was in the same school, a similar school, and all other schools. Similar schools are defined as schools with mean test scores within 0.1 standard deviation units. The third-to-last row presents the p-value from an F-test of all coefficients in the corresponding column being jointly equal to 1.

**Table 7. Differences in Teacher Quality Across Students and Schools**

	<b>b / (se)</b>				
Lagged Test Score	0.024 (0.001)	0.013 (0.001)			
African-American			-0.030 (0.004)	-0.010 (0.001)	
Asian			-0.013 (0.003)	0.005 (0.001)	
Hispanic			-0.043 (0.003)	-0.010 (0.001)	
School Fraction African-American					-0.073 (0.015)
School Fraction Asian					-0.076 (0.025)
School Fraction Hispanic					-0.109 (0.011)
School Fixed Effects		Yes		Yes	
Mean School FRPL Quartile					
R-sq	0.017 2,794,81	0.133 2,794,81	0.006 2,794,81	0.129 2,794,81	0.011 2,794,81
N	8	8	8	8	8

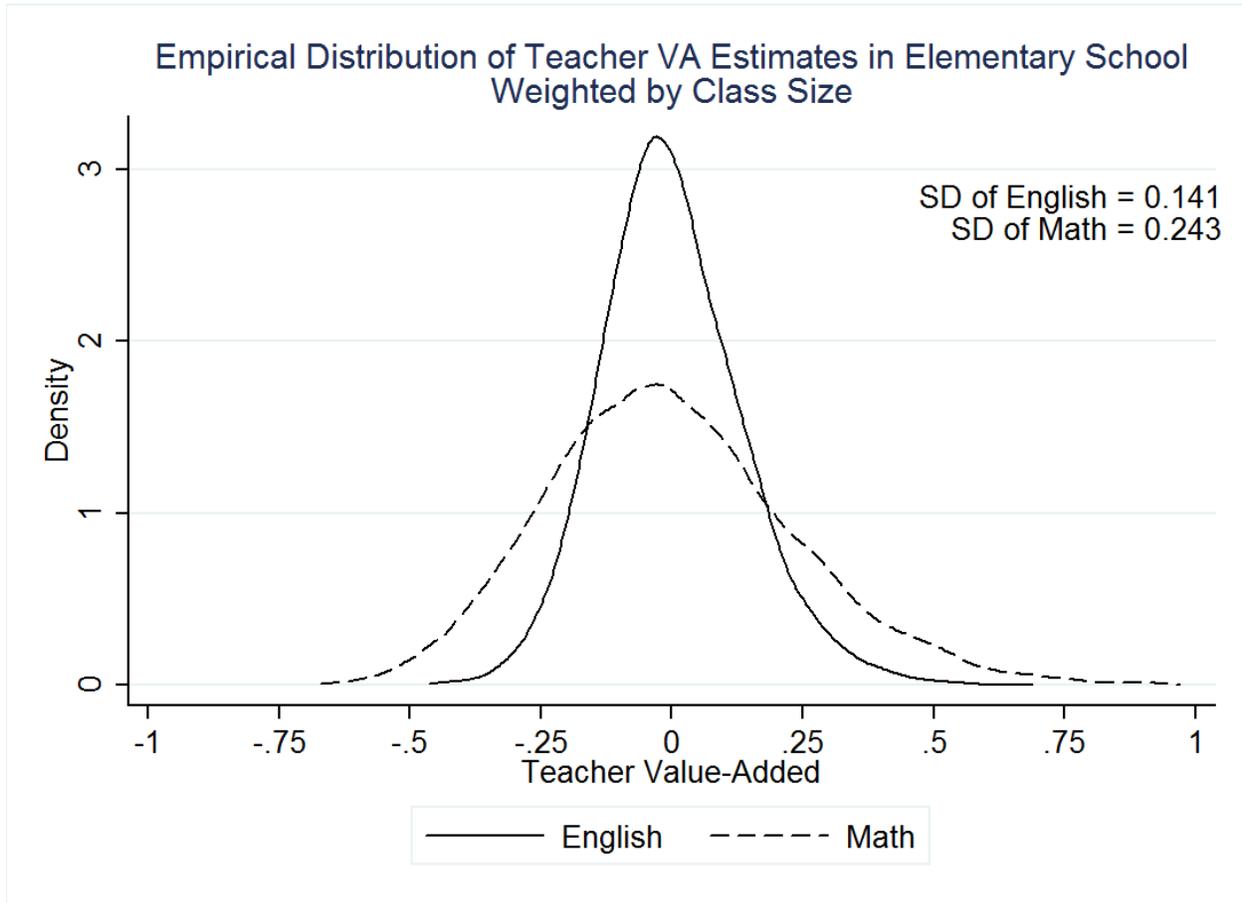
Notes: Each column reports coefficients and standard errors (in parentheses) from an OLS regression, where the dependent variable is the estimated teacher value-added using our baseline model (see Table 2, column 1). Standard errors are clustered at the teacher level. The regressions are estimated in a dataset at the student-subject-year level.

**Table 8. Differences in Teacher Quality Across Students and Schools, Accounting for Teacher Experience**

<b>Panel A: Dependent Variable is Teacher Experience * Experience Coefficient</b>					
	<b>b / (se)</b>	<b>b / (se)</b>	<b>b / (se)</b>	<b>b / (se)</b>	<b>b / (se)</b>
Lagged Test Score	0.017 (0.003)	0.004 (0.002)			
African-American			-0.039 (0.011)	-0.005 (0.004)	
Asian			0.018 (0.009)	0.007 (0.003)	
Hispanic			-0.018 (0.011)	-0.000 (0.004)	
School Fraction African-American					-0.092 (0.046)
School Fraction Asian					0.188 (0.077)
School Fraction Hispanic					-0.015 (0.035)
School Fixed Effects		Yes		Yes	
R-sq	0.001	0.343	0.001	0.343	0.002
N	2,897,425	2,897,425	2,897,425	2,897,425	2,897,425
<b>Panel B: Dependent Variable is (Teacher VA with Experience Controls) + (Experience * Experience Coefficient)</b>					
	<b>b / (se)</b>	<b>b / (se)</b>	<b>b / (se)</b>	<b>b / (se)</b>	<b>b / (se)</b>
Lagged Test Score	0.042 (0.003)	0.016 (0.002)			
African-American			-0.069 (0.012)	-0.015 (0.004)	
Asian			0.005 (0.010)	0.012 (0.003)	
Hispanic			-0.063 (0.011)	-0.010 (0.004)	
School Fraction African-American					-0.161 (0.050)
School Fraction Asian					0.106 (0.082)
School Fraction Hispanic					-0.131 (0.038)
School Fixed Effects		Yes		Yes	
R-sq	0.006	0.338	0.002	0.337	0.005
N	2,689,580	2,689,580	2,689,580	2,689,580	2,689,580

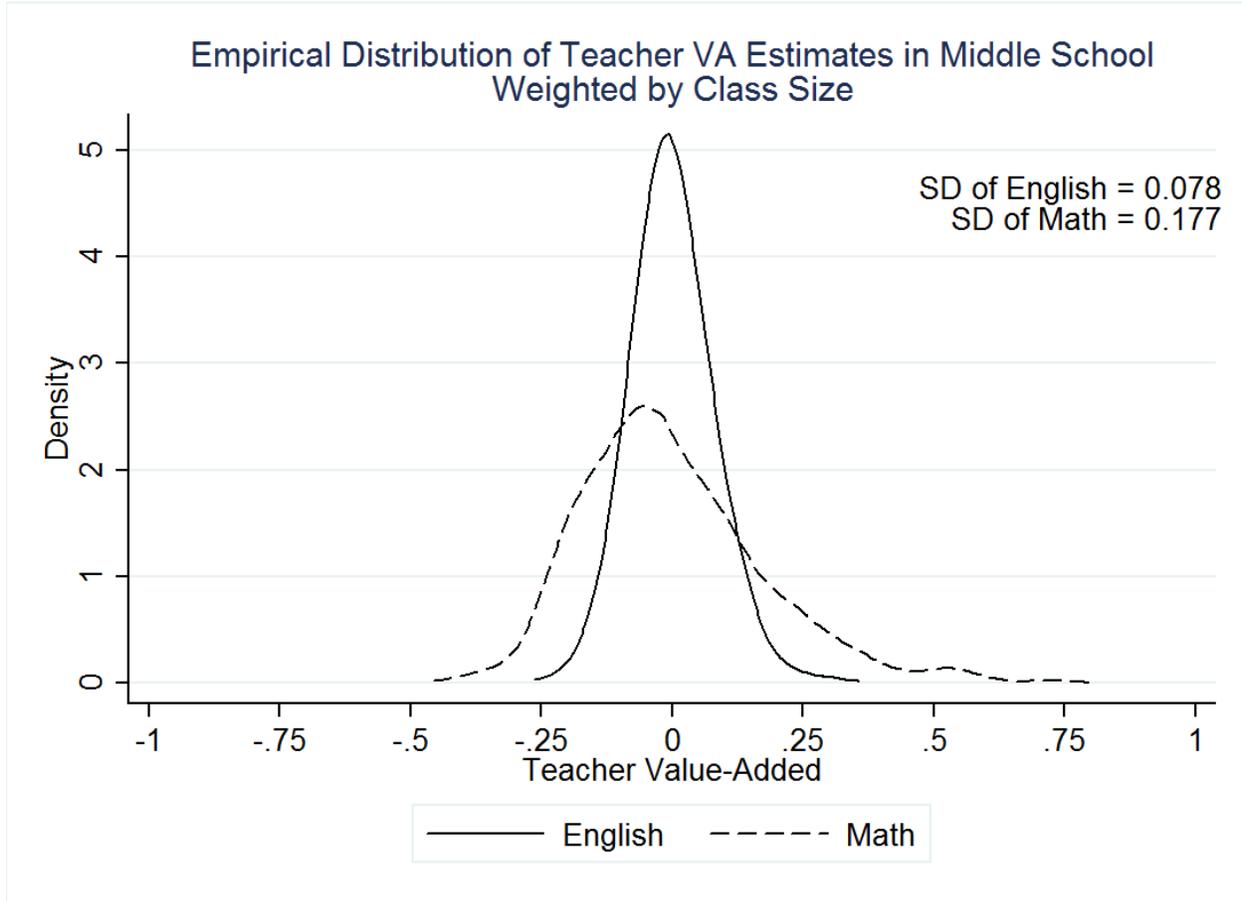
Notes: Each column reports coefficients and standard errors (in parentheses) from an OLS regression. Standard errors are clustered at the teacher level. The regressions are estimated in a dataset at the student-subject-year level. In Panel A, the dependent variable is Teacher Experience \* Experience Coefficient. We obtain the relevant experience coefficient by re-specifying Equation 1 with controls for teaching experience. In Panel B, the dependent variable is the sum of teacher value-added (controlling for teacher experience) and the experience effects from Panel A.

**Figure 1.**



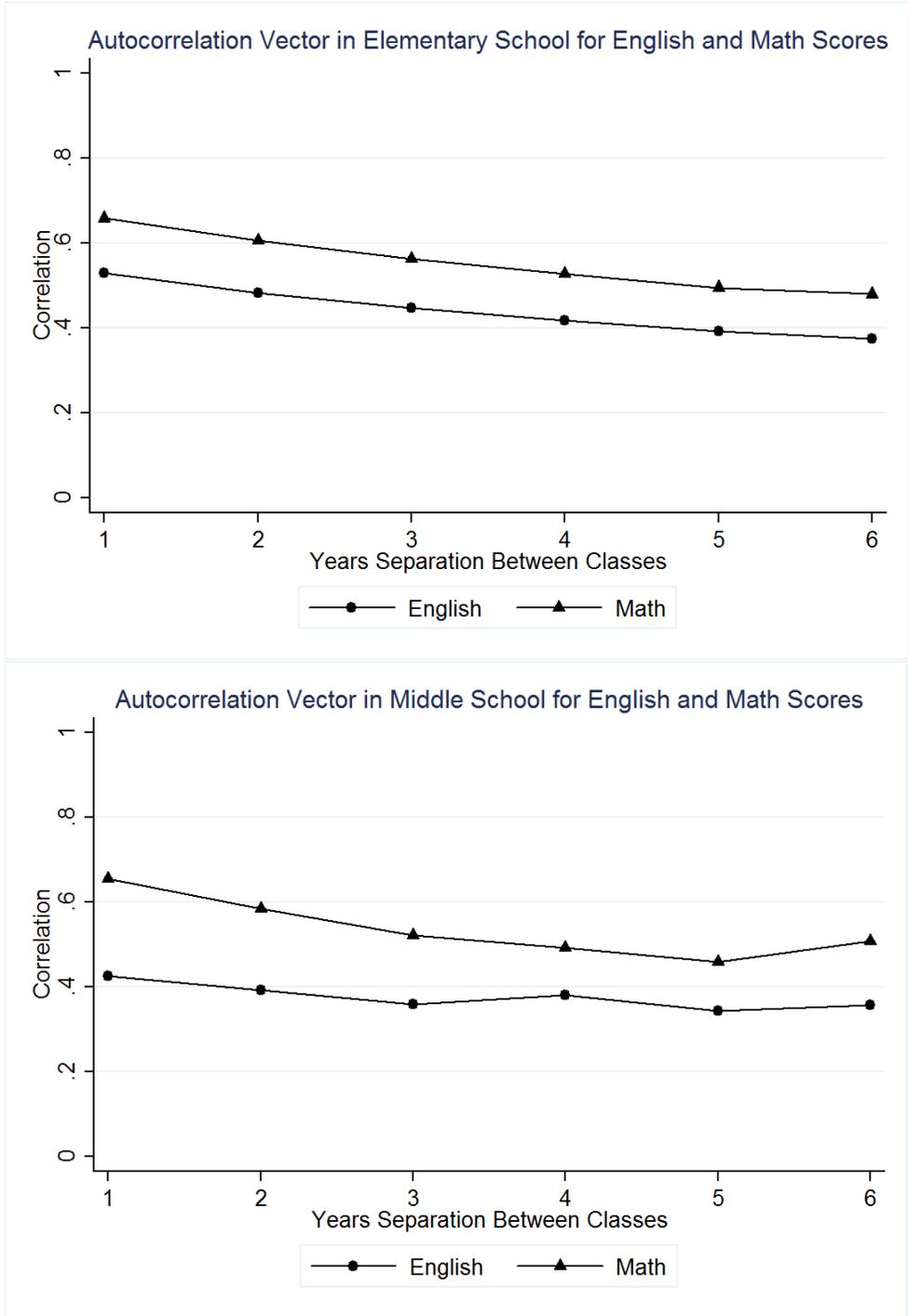
Notes: This figure plots kernel densities of the empirical distribution of predicted teacher effects for elementary school teachers. The densities are weighted by class size and are estimated using the Epanechnikov kernel with a bandwidth of .03. We also report the standard deviations of these empirical distributions of VA estimates, which are shrunk toward the mean to account for noise.

**Figure 2.**



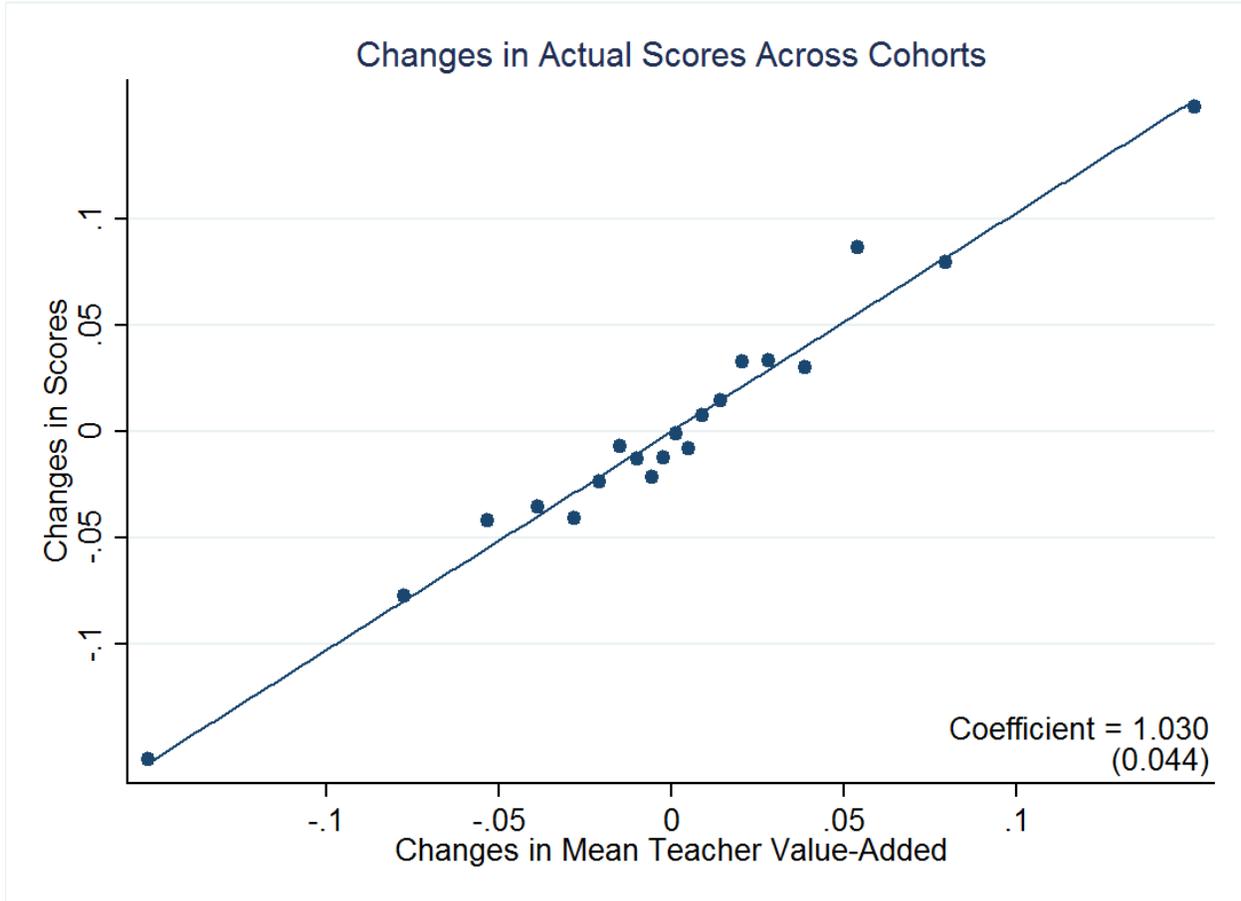
Notes: This figure plots kernel densities of the empirical distribution of predicted teacher effects for middle school teachers. The densities are weighted by class size and are estimated using the Epanechnikov kernel with a bandwidth of .03. We also report the standard deviations of these empirical distributions of VA estimates, which are shrunken toward the mean to account for noise.

**Figure 3.**



Notes: These figures show the correlation between mean test-score residuals across classes taught by the same teacher indifferent years. The top panel plots autocorrelation vectors and the bottom panel plots autocorrelation vectors for middle school. See CFR 2014a Appendix A for details on this estimation procedure.

**Figure 4.**



Notes: This figure presents a binned scatter plot and fitted line of changes in mean actual test scores versus changes in mean teacher predicted changes in VA across cohorts, which corresponds to the regression in Column 1 of Table 2 (see Table 2 for details on the model). To construct these binned scatter plots, we follow the procedure detailed in CFR of first demeaning both the x- and y-axis variables by school year to eliminate any secular time trends. We then divide the observations into vingtiles based on their change in mean VA and plot the means of the y variable within each bin against the mean change in VA within each bin, weighting by the number of students in each school-grade-subject-year cell. The solid line shows the best linear fit estimated on the underlying micro data, which is presented in Table 2, column 1.