# Consequences of Correcting Measurement Errors in ValueAdded Models 

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## Background

- Value-added models (VAM) as a component for teacher evaluation
- 43 states requires annual teacher evaluation
- 32 incorporate student performance measures
- Identification of "effective" and "ineffective" teachers
- Validity, reliability, and intertemporality
- Measurement errors of student test scores


## Study Goals

- Overview two measurement error correction methods: Error in Variable Regression and Latent Variable approach
- Comparison of value-added estimates (VAE) with and without measurement error correction
- Who and Why are the teachers benefiting most with measurement error correction?
- Policy implications of implementing measurement error correction


## Measurement Errors

- Test scores contain measurement errors
- .85 to .92 reliability in state assessments
- Measurement errors in prior test score(s) attenuate regression coefficients
- It potentially causes biases in VAEs


## Correction of Measurement Errors

- Errors in Variables Regression (EiVReg; Fuller, 1987; 2006; Guarino et.al, 2013), instrumental variable approach, latent variable approach (Lookwood \& McCaffrey, 2012)
- EiVreg was implemented in NYC (2010) and FL (2013)
- EiVreg uses known measurement error variance to alter regression cross product ( $\mathrm{X}^{\prime} \mathrm{X}$ ) matrix
- Subtract measurement error variance from the matrix element corresponding to prior test score(s)
- Then, what is wrong with this?


## Errors in Variables Regression

$Y_{1 i}=\beta_{0}+\beta_{1} Y_{0 i}^{*}+u_{i}$, where $Y_{0 i}^{*}=Y_{0 i}+e_{i}, e_{i} \sim N\left(0, \operatorname{CSEM}^{2}\left(Y_{0 i}\right)\right)$

OLS regression: $\boldsymbol{\beta}=\left(X^{\prime} X\right)^{-1} X^{\prime} Y_{1}$
Growth $_{i}=Y_{1 i}-\hat{Y}_{1 i}=\left(\beta_{0}+\beta_{1} Y_{0 i}^{*}+u_{i}\right)-\left(\beta_{0}+\beta_{1} Y_{0 i}^{*}\right)=u_{i}$

EiV regression: $\boldsymbol{\beta}=\left(X^{\prime} X-\sum \operatorname{CSEM}^{2}\left(Y_{0 i}\right)\right)^{-1} X^{\prime} Y_{1}$
Growth $_{i}=Y_{1 i}-\hat{Y}_{1 i}=\left(\beta_{0}+\beta_{1} Y_{0 i}^{*}+u_{i}\right)-\left(\beta_{0}^{\prime}+\beta_{1}^{\prime} Y_{0 i}^{*}\right)=u_{i}^{\prime}$

## Student Growth with Correction



## Illustrative Example

1. A state-wide achievement data
2. Math scores for Grade 4 students in 2012 and their $3^{\text {rd }}$ grade math score in 2011
3. 1,212 teachers
4. 24,738 students
5. Score scale range: 0-80
6. Conditional standard errors of measurement
7. Ranges from 2.5 to 10
8. Much larger at the extremely low or high scores
9. Unsymmetric $U$ shape

## Conditional Standard Errors of Measurement



## Student Growth with EiV correction



## Teacher VAE percentile change with EiV correction



## Teacher VAE percentile change with EiV correction



## Teacher VAE percentile change with EiV correction (bottom 10 percentile)



## Teacher VAE percentile change with EiV correction (top 10 percentile)



## Who's in and who's out of top $10 \%$ tile with EiV correction

| Tch ID | y0 mean | yl mean | VAE_OLS | VAE_EiV | Prop. "P" | Prop. "N" | \%tile_OLS | \%tile_EiV | \%tile_diff | top 10\% In or Out |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 360 | 24.8 | 29.7 | 3.61 | 4.54 | 1.00 | 0.00 | 86 | 92 | 6 | in |
| 828 | 23.1 | 28.6 | 3.84 | 4.87 | 1.00 | 0.00 | 88 | 93 | 5 | in |
| 1108 | 22.6 | 27.4 | 2.97 | 4.03 | 0.91 | 0.09 | 82 | 90 | 8 | in |
| 1181 | 33.7 | 37.0 | 3.84 | 4.23 | 0.85 | 0.15 | 88 | 91 | 3 | in |
| 585 | 34.7 | 37.9 | 3.88 | 4.21 | 0.82 | 0.18 | 89 | 90 | 1 | in |
| 191 | 37.8 | 40.4 | 3.91 | 4.05 | 0.65 | 0.35 | 89 | 90 | 1 | in |
| 484 | 38.2 | 40.7 | 3.95 | 4.06 | 0.60 | 0.40 | 89 | 90 | 1 | in |
| 431 | 38.8 | 41.2 | 3.99 | 4.07 | 0.54 | 0.46 | 89 | 90 | 1 | in |
| 3 | 44.7 | 46.1 | 4.14 | 3.86 | 0.40 | 0.60 | 90 | 88 | -2 | out |
| 113 | 41.1 | 43.1 | 4.00 | 3.94 | 0.36 | 0.64 | 90 | 89 | -1 | out |
| 1006 | 44.7 | 46.2 | 4.18 | 3.90 | 0.35 | 0.65 | 90 | 89 | -1 | out |
| 669 | 45.6 | 47.0 | 4.30 | 3.97 | 0.25 | 0.75 | 91 | 89 | -2 | out |
| 813 | 48.5 | 49.4 | 4.37 | 3.86 | 0.19 | 0.81 | 91 | 88 | -3 | out |
| 157 | 49.4 | 50.3 | 4.56 | 4.00 | 0.13 | 0.88 | 92 | 89 | -3 | out |
| 406 | 51.6 | 51.5 | 4.01 | 3.31 | 0.07 | 0.93 | 90 | 84 | -6 | out |
| 150 | 51.6 | 51.7 | 4.23 | 3.54 | 0.04 | 0.96 | 90 | 86 | -4 | out |

## Who's in and who's out of bottom 10\%tile with EiV correction

| Tch ID | y0 mean | yl mean | VAE_OLS | VAE_EiV | Prop. "P" | Prop. "N" | \%tile_OLS | \%tile_EiV | \%tile_diff | top 10\% In or Out |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 242 | 41.6 | 35.3 | -4.18 | -4.27 | 0.39 | 0.61 | 12 | 10 | -2 | in |
| 246 | 47.1 | 39.7 | -4.25 | -4.67 | 0.13 | 0.87 | 11 | 9 | -2 | in |
| 288 | 44.9 | 38.1 | -4.05 | -4.34 | 0.35 | 0.65 | 13 | 10 | -3 | in |
| 291 | 46.1 | 38.8 | -4.31 | -4.67 | 0.22 | 0.78 | 11 | 9 | -2 | in |
| 494 | 53.5 | 45.0 | -3.98 | -4.79 | 0.15 | 0.85 | 13 | 9 | -4 | in |
| 505 | 42.2 | 35.8 | -4.24 | -4.36 | 0.47 | 0.53 | 11 | 10 | -1 | in |
| 612 | 54.7 | 45.9 | -4.01 | -4.89 | 0.05 | 0.95 | 13 | 8 | -5 | in |
| 708 | 46.3 | 39.0 | -4.21 | -4.58 | 0.20 | 0.80 | 12 | 9 | -3 | in |
| 775 | 41.0 | 34.8 | -4.22 | -4.27 | 0.52 | 0.48 | 12 | 10 | -2 | in |
| 79 | 31.4 | 26.9 | -4.44 | -3.92 | 0.79 | 0.21 | 10 | 13 | 3 | out |
| 108 | 28.3 | 24.3 | -4.60 | -3.89 | 0.95 | 0.05 | 9 | 13 | 4 | out |
| 149 | 32.1 | 27.3 | -4.57 | -4.09 | 0.78 | 0.22 | 10 | 12 | 2 | out |
| 456 | 28.0 | 24.3 | -4.33 | -3.60 | 0.89 | 0.11 | 10 | 15 | 5 | out |
| 666 | 27.0 | 23.5 | -4.32 | -3.53 | 1.00 | 0.00 | 10 | 16 | 6 | out |
| 844 | 37.4 | 31.8 | -4.36 | -4.20 | 0.48 | 0.52 | 10 | 11 | 1 | out |
| 1005 | 27.5 | 23.8 | -4.46 | -3.70 | 0.96 | 0.04 | 10 | 14 | 4 | out |
| 1077 | 32.1 | 27.2 | -4.71 | -4.23 | 0.94 | 0.06 | 9 | 11 | 2 | out |
| 1142 | 35.0 | 29.8 | -4.49 | -4.18 | 0.75 | 0.25 | 10 | 12 | 2 | out |
| 16/27 |  |  |  | onal Cen | er for Res | arch on Ev | valuation, S | Standards, | \& Student | Testing |

## Teacher VAE change vs. Y0 mean : EiV correction



## Consequences of EiV correction

- EiV sets the higher growth expectation for higher performing students, whereas the lower growth expectation for lower performing students.
- Student's growth is calculated based on the steeper regression slope yet with measurement error prone observed prior year score(s).
- Teacher's VAE is systematically downward for teachers with higher prior year test scores but upward for those with lower prior year test scores.
- Teachers' VAE percentiles are changed with fair amount, especially for "effective" or "ineffective" teachers.


## Latent Variable Approach

$Y_{1 i}=\beta_{0}+\beta_{1} Y_{0 i}^{*}+u_{i}$, where $Y_{0 i}^{*}=Y_{0 i}+e_{i}, e_{i} \sim N\left(0, \operatorname{CSEM}^{2}\left(Y_{0 i}\right)\right)$

Latent variable regression: $\boldsymbol{\beta}=\left(X_{L V}^{\prime} X_{L V}\right)^{-1} X_{L V}^{\prime} Y_{1}$
$Y_{0 i}^{*}=Y_{0 i}+e_{i}, Y_{0 i}^{*} \sim N\left(Y_{0 i}, \operatorname{CSEM}^{2}\left(Y_{0 i}\right)\right)$
Growth $_{i}=Y_{1 i}-\hat{Y}_{1 i}=\left(\beta_{0}+\beta_{1} Y_{0 i}+u_{i}^{\prime \prime}\right)-\left(\beta_{0}+\beta_{1} Y_{0 i}\right)=u_{i}^{\prime \prime}$

## Student growth with latent variable approach



## Teacher VAE percentile change with latent variable approach



## Teacher VAE percentile change with latent variable approach



## Teacher VAE change vs. Y0 mean : latent variable approach



## Summary \& Policy Implications

- Two different methods sharply show consequences of measurement error correction in terms of changes in student's growth and teacher VAE.
- EiV correction makes students and teachers value-added larger for lower prior year score and smaller for higher prior year score.
- This study shows how two different methods work using the simplest example. The consequences of measurement error correction in complex models (e.g., lots of covariates) would be more complicated depending upon different value-added model specifications.


## Summary \& Policy Implications

- Student assignment to a teacher is neither random nor under the teacher's control. Do we let the prior scores determine teacher's value-added as EiV correction method shows?
- These consequences might send "value-added into tailspin" as Guarino et.al. pointed out.
- In addition to methodological issues, implementation of measurement error correction in high-stakes teacher evaluation needs more research and discussions from a policy perspective.


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## Student growth with latent variable approach



