Ensuring Equal Opportunity in Public Education

How Local School District Funding Practices Hurt Disadvantaged Students and What Federal Policy Can Do About It

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Introduction by
John Podesta and Cynthia Brown

Papers by
Phyllis McClure
Ross Wiener
Marguerite Roza
Matt Hill

Center for American Progress
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Achieving equity is the purpose of the Elementary and Secondary Education Act of 1965, one of the legislative hallmarks of President Lyndon Johnson’s War on Poverty. Title I of the Act now provides more than $13 billion in conditional grants annually to state and local school districts. Through direct financial assistance to public school systems, the federal government supplements opportunities for students from low-income families, with the goal of ameliorating the effects of poverty on educational achievement.

For this policy to be effective, however, federal funds must be added to an already even base of state and local funds so that the federal funds actually can provide a needed boost for students from low-income families. Several fiscal equity provisions in the law are intended to work together to ensure a level playing field before the application of federal funds, but the comparability provisions do not in fact ensure fiscal equity for Title I schools. (See the first report in our package for the history of comparability since 1965, and the second report for a detailed analysis of the consequences of this development over the past 43 years.)

The concept behind comparability is simple: Resources and educational opportunities provided with state and local funds in schools receiving Title I funds must be comparable to those provided in non-Title I schools before provision of any federal funds. The primary problems with the comparability provisions are the following:

- The law allows districts to ignore differences in teacher salaries across schools. The result is that hundreds of thousands of dollars less in state and local funds may be spent to educate children in Title I schools than in non-Title I schools.

- The law does not demand full fiscal equity, only 90 percent. In addition, it limits the amount of additional state and local funds that can be provided to high-poverty Title I schools to no more than 10 percent over the amount provided to non-Title I schools.

- Lax enforcement of the comparability provisions has compromised their effectiveness.

As Congress reauthorizes the Elementary and Secondary Education Act, which is now commonly referred to as the No Child Left Behind Act, it should strengthen the comparability provisions to ensure greater fiscal equity and more state and local investment in high-poverty schools.
Structure of Federal Financial Assistance Under Title 1

The Elementary and Secondary Education Act represents the federal government’s most significant commitment to improving the education of disadvantaged students and to closing achievement gaps between groups. In exchange for the federal investment in this effort, states and school districts agree to certain conditions, including public reporting of student achievement data by group, implementation of accountability systems, and increased responsibility for improving student achievement in schools that persistently fail to meet goals.

Congress has determined, with ample support from research and the historical record, that schools educating students who are growing up in poverty need supplemental resources to create a level educational playing field. Title 1 provides some of these resources, but Congress wisely has enlisted the states and local school districts to do their part. This is important because federal financial support represents a relatively small proportion of total education funding. Providing low-income students with additional federal funding requires that the underlying foundational funding from states and local districts is allocated to low-income students on an equitable basis—or at least on an equal basis—so that the federal money indeed provides the extras for which it was intended.

Addressing within-district funding gaps is a critically important component of establishing resource equity. Addressing this issue alone, however, will not solve funding equity issues because there are other sources of inequities. Indeed, while this paper describes ways in which Title I could force districts to treat schools more fairly, the federal funding formula creates some fairness issues of its own. For instance, by targeting the biggest Title I funds to high-spending states, the federal government rewards wealthy states and sends less per pupil to low-wealth states where poverty is most prevalent.

In addition, in many states, high-poverty school districts get less per pupil in state and local funds than the districts with the fewest students from low-income families. The inequity and inadequacy of many state funding policies are well known and many have been addressed over the last several decades. The disparities between schools within the same district, however, have been largely overlooked. Intra-district inequality—the focus of the comparability provisions—represents a serious problem, and one where federal policy can spur positive change.
Fiscal Equity is Key to Success

As part of establishing eligibility for participation in the Title I funding program, school districts make several commitments regarding fiscal effort and equity. The purpose of these provisions in the law is to ensure that Title I money provides supplemental educational opportunities for low-income students. These stipulations require districts to:

- Maintain their efforts over time;
- Use federal funds to supplement their efforts, not supplant funding for other programs;
- Ensure comparability of funding.

Maintenance of effort obligates districts to spend at least 90 percent as much money on public education (either per student or in total) as was spent on education in the past. If a school district diminishes its expenditures by more than 10 percent, the state is supposed to diminish its Title I grant by the same amount and redistribute the federal funds to other school districts.6

The second fiscal obligation requires districts to use Title I funds in a way that supplements and does not supplant what otherwise would be provided to the students who generated the federal funding.6 The final element of fiscal equity required by Title I is the comparability obligation, which attempts to ensure that educational opportunities in Title I schools are comparable with those offered in schools that do not receive Title I funds.

Although the statute gives school districts some discretion in how broadly to distribute Title I funds across schools, it requires districts to provide Title I funding to the highest-poverty schools. Therefore, the comparability requirement in theory should ensure at least equal opportunities in higher-poverty schools as compared to any participating district’s lower-poverty schools, or schools that are not receiving Title I funds.

Taken together, these provisions should advance the federal purpose of leveling the playing field for children from low-income families. Because more than 90 percent of school districts in the United States currently participate in the Title I program, the fiscal equity provisions in Title I could have widespread impact on ensuring equitable distribution of public education resources.7 As currently written, however, the comparability provisions provide little assurance that school districts actually offer comparable educational opportunities in Title I schools. Indeed, many do not.

Perhaps the most significant shortcoming in the current law and regulations is the treatment of teachers and other staff with regard to establishing comparability. The current law is vague with respect to determining whether students in Title I schools and those in non-Title I schools have “comparable” access to teachers. This was not always the case. When comparability was at its most exacting standard in 1971, it required equal pupil-teacher ratios in terms of certified teachers, other certified staff, and non-certified staff. It also required equal expenditures on instructional staff salaries (other than longevity pay) and other instructional costs. Such standards did not last long.
The Comparability Provisions Have Several Weaknesses

Over time, instead of becoming more refined and demanding in how the law sought to ensure comparable opportunities in Title I schools, the law grew weaker and weaker. Today, school districts need only have a single-salary schedule for all teachers and policies that ensure equivalence among schools for teachers, administrators, and other staff, and for instructional materials. The law previously required equivalence with regard to student-staff ratios and per-pupil instructional staff expenditures, but it now allows school districts to choose between and affords them other options for determining comparability.

In ensuring equivalence with respect to “teachers, administrators, and other staff,” school districts are allowed to count paraprofessionals and teachers’ aides the same as teachers, masking potentially harmful inequities in access to qualified teachers. A Title I school can be deemed to satisfy the comparability requirement by having staff-student ratios that are equal to ratios in non-Title I schools, even though the Title I school might be meeting the requirement with paraprofessionals in addition to under-certified and novice teachers.

Congress has recognized that paraprofessionals are not comparable with teachers and crafted the teacher-quality provisions in Title II of the Elementary and Secondary Education Act to restrict reliance on paraprofessionals for instruction in Title I schools. However, even as Congress moved to ensure that paraprofessionals were not treated as teachers in ensuring fair access to qualified teachers in one part of the law, Congress did not address the treatment of paraprofessionals the same as teachers in the comparability provisions of Title I. This loophole has given states discretion in counting paraprofessionals for comparability determinations. Most count paraprofessionals the same as teachers; some states (e.g. Kansas and New York) have eliminated paraprofessionals from comparability calculations; others count paras as half a teacher (e.g. Idaho and West Virginia).

The law also explicitly excludes differences in teacher salaries from comparability calculations when the differences in salaries result from differences in years of experience. This has the potential to mask massive disparities in actual school budgets, which can vary significantly based on the mix of teachers in any given school. The actual impact of this exemption is not clear because schools can demonstrate comparability without any inquiry into salary expenditures, but this a very big deal: expenditures on experience-based salary increases represent approximately ten percent of all money spent on public education nationally. Including actual teacher salaries for each school, however,
will be crucially important in the next iteration of the comparability provisions, as discussed below.

The law also has become less exacting in the extent of comparability that is required. Previously, Title I schools had to be within 5 percent of the non-Title I average to be deemed comparable. This requirement has been relaxed to allow a 10 percent deviation from the non-Title I average, so that a Title I school is considered to offer comparable services if it has 90 percent of the state and local resources (such as they currently are measured) that are provided to the average non-Title I school.

Moreover, this requirement is applied in both directions. Title I schools cannot have less than 90 percent of the non-Title I average nor can they have more than 110 percent and still be considered comparable. If a Title I school has significantly smaller class sizes or significant financial incentives for teachers, and these policies result in additional resources that exceed 10 percent of the state and local funds provided to the average non-Title I school, then the school is deemed out of compliance with the comparability provisions. This turns the comparability provision on its head, limiting the resources available to high-poverty schools instead of encouraging greater investments in them.

In addition to weaker substantive obligations, the law’s enforcement mechanism also has been compromised. School districts previously could not receive Title I funding without an affirmative determination that comparability was satisfied. Now, comparability is addressed through a vague assurance of compliance, and state departments of education need only check on districts’ implementation every two years.

Lack of compliance is only discovered after the fact and appears to be addressed mildly, if at all. Students may be assigned to Title I schools that do not have comparable offerings for years without redress. For instance, when 40-to-50 Chicago Public Schools were determined to not have comparable offerings in 2004–05 and 2005–06, the school district created almost 100 positions to augment staffing at the non-comparable Title I schools but filled only 19 of the positions, achieving comparability only at four additional schools.

If lax enforcement is a problem, budgetary machinations that result in fraud make matters worse. Researchers at the University of Washington discovered some districts that appear to use questionable financial tactics. Here’s how the ploy works: When districts account for the additional staff positions that are supported with Title I, they are supposed to charge the Title I account only for the actual salaries being paid. But some districts apparently are charging the Title I budget for an average teacher salary. This allows the district to hire an inexpensive teacher for a Title I school, while reimbursing itself for a more expensive teacher—leaving less in the Title I account and more in the district’s general account. University of Washington researchers estimated that in one district the amount of money inappropriately transferred from the Title I account amounted to more than $600,000 in a school year.

The comparability provisions, therefore, do not effectively ensure equivalence with respect to teachers—either through comparable credentials or comparable salary allocations. Moreover, even when Title I schools have teachers with neither comparable credentials nor comparable salaries, the law still deems them comparable,
so these schools are not provided with additional funds to purchase additional support or improve working conditions.

**Weak Comparability Provisions Allow Funding Gaps to Persist**

The current law’s comparability language is so flawed that districts often end up providing their highest-poverty schools with thousands of dollars less per year—sometimes hundreds of thousands dollars less—in state and local funds than they provide to their schools facing fewer challenges. These within-district funding gaps stack the deck against the academic success of low-income students and undermine Title I’s intent to provide them with the “extras” they need to achieve at higher levels. Indeed, research over the years has established that high-poverty schools do not get their fair share of state and local funds.

Instead, federal and other categorical funds, which were intended to provide additional opportunities, are used to fill in for inequitable distribution of foundational funds. When spending patterns were examined in Texas and Denver, more money from the district’s non-targeted funds were spent in the districts’ low-poverty schools in four out of five large urban districts. (Dallas was the exception; Austin, Houston, and Fort Worth as well as Denver all spent more per-pupil in low-poverty than in high-poverty schools.) Even when targeted, categorical funds are counted; however, high-poverty schools in the four districts mentioned above did not receive the funding their students were generating. Low-to-average staff salaries in these schools were subsidizing higher staff salaries in the district’s lowest-poverty schools.

One of the main drivers of this fiscal inequality is the pervasive disparities in teacher assignments, with high-poverty schools tending to have disproportionate shares of the most junior, lowest-paid teachers. In Arlington, Texas, for example, teachers in high-poverty elementary schools are paid, on average, $2,762 less than teachers in the district’s low-poverty elementary schools, and similar disparities are found in 9 of the 10 biggest districts in Texas. This pattern also is observed in 42 of the biggest school districts in California.

Sometimes, school districts attempt to compensate for the concentration of novice, less-credentialed teachers to higher-poverty schools by placing more teachers in these schools, effectively lowering class size or providing additional professional support. In other districts, there is no attempt to offset the disparities in individual teachers’ salaries, which are then compounded by disparities in whole-school teacher salary allocations.

This problem can be illustrated by Olentangy School District, in a suburb of Columbus, Ohio. Olentangy has 10 elementary schools, two of which receive Title I funds. The two Title I schools in Olentangy have teachers that, on average, are paid less than the teachers in any of the non-Title I schools. Moreover, each school spends less per pupil on teacher salaries than the average non-Title I school. One of these elementary schools spends $499 less per pupil on teacher salaries than the average non-Title I school in the district. If this school had per-pupil expenditures on teacher salaries that were comparable to the district’s non-Title I schools, it would have an additional $286,000 in its budget.
Despite the weakness of the comparability requirements, some districts, including New York City, spend more per-student on teacher salaries in Title I schools. New York City’s success proves it is possible to achieve true fiscal comparability, and also illustrates the limitations of comparability as only one component of true equity.

New York City boasts the nation’s largest school district, educating approximately 1,250,000 students and employing 73,000 teachers. As is the case almost everywhere this issue has been examined, the lowest-paid teachers are concentrated in the schools with the highest concentrations of low-income and minority students. Conversely, the district’s highest-paid teachers are concentrated in the schools with the fewest low-income and minority students. This pattern is evident when comparing Title I schools with non-Title I schools: The average teacher salary in the city’s Title I schools was $63,047 in 2005–06; in non-Title I schools, it was $66,217.20

Despite this inequality in average teacher salaries, New York City has achieved fiscal equity with regard to teacher salaries by providing more teachers in its Title I schools. Consequently, although some teachers are paid less than the average salary for the district, there are more teachers in these schools. In Title I schools, per-pupil teacher salary expenditures were $5,487 in 2005–06; in non-Title I schools, per-pupil salary expenses were $4,760.

These data include Title I and other federal funds, so they don’t accurately model a comparability analysis. They illustrate that equity in teacher salary allocations is achievable. The irony is that if New York City needed to demonstrate comparability with regard to teacher salaries under the current law, it might be out of compliance with the current rules because the city allocates more than 10 percent additional funding in teacher salaries to its Title I schools.21
Why Does This Matter?

Decades of research document that teachers are the most significant educational resource in a school district.\textsuperscript{22} We now know that teachers have a profound impact on student learning, and that if we matched our most effective teachers with our neediest students that schools could close gaps in educational achievement.\textsuperscript{23}

It would be wrong to assume that we could fully address inequality in access to teacher quality through the comparability provisions. Comparability is a part of fiscal equity, which is necessary but by no means sufficient to ensure genuine equity in opportunities for students to learn. But strengthening the comparability provisions would ensure that more resources were provided to schools with more low-income students, which could help these schools attract and retain the excellent teachers they so badly need.

Fiscal equity should be seen as providing a baseline on which to build more powerful strategies for ensuring equal access to the best teachers. Other complementary changes in policy and practice would be required to realize the benefits of comparability in terms of improving teacher quality in Title I schools.

Many school districts, for example, have negotiated teacher contracts that prohibit the district from offering incentive pay at certain schools, restrict their ability to provide more favorable conditions in high-poverty schools compared to other schools, and limit principals’ discretion in hiring teachers they believe are best suited to the school. Furthermore, human resource departments often are not operating strategically or at a high level, and principals are not accountable for supporting or retaining effective teachers. To gain the full benefit of fiscal equity in improving teacher quality, school districts and states will need to address other barriers to attracting and retaining the best teachers in high-poverty schools.

Although New York City still is working to achieve genuine comparability in terms of teacher quality, it has made significant progress in raising teacher quality in high-poverty and low-performing schools. In fact, researchers found that new teachers in the city’s lowest-performing elementary schools had similar academic credentials to new teachers in the city’s higher-performing elementary schools.\textsuperscript{24} This was accomplished through smart policy changes, deliberate recruiting efforts, and increased investments.

But effective teachers in New York’s lowest-performing elementary schools are likely to leave these schools and transfer to schools with fewer low-performing students. The
predictable result is diminished learning opportunities for students. In New York, at least according to this research, the challenge is in retention—both in terms of keeping highly effective teachers and in terms of not keeping ineffective teachers.

Data from Tennessee, which has been measuring teacher effectiveness longer than anywhere else, reinforce these inequitable patterns. High-poverty schools in Tennessee have a disproportionate share of the state’s ineffective teachers, and are significantly less likely than low-poverty schools to have highly effective teachers.

Used wisely, more money at high-poverty schools could help address the challenges of attracting, supporting, and retaining the very best teachers, which would do more than anything else to close the achievement gap. It could also be used to pay for extended time and additional supports for struggling students. This suggests that fiscal comparability can help address inequality, but also that it will take more comprehensive strategies to achieve true equality in educational opportunities.

The fact that comparability alone is insufficient to close achievement gaps or narrow the disparities in access to effective teachers should not be used as an excuse for failing to address this aspect of the problem. Improving the comparability requirements is a matter both of fundamental fairness and a necessary component of pursuing the national priority to improve educational outcomes.
An Attempt to Improve Title I in the House Draft

The 2002 reauthorization of the Elementary and Secondary Education Act as the No Child Left Behind Act has prompted unprecedented focus on closing achievement gaps in public education. While there have been modest gains since the law’s enactment, there is a pressing need to accelerate progress, which has prompted policymakers and advocates to search for more effective policies to spur change. Stronger comparability provisions could make the law more powerful in ensuring equality of opportunity, which is why many advocates for low-income students and for improving public education have called for such changes.

When the House Committee on Education and Labor took up NCLB reauthorization in 2007, substantive changes to the comparability provisions were included in the draft legislation. Committee leaders took the unusual step of posting a “discussion draft” of the reauthorization proposal, which was not endorsed by any committee member but was intended to frame debate. Though changes to the comparability provisions marked an important and positive development, the discussion draft’s comparability recommendations contained shortcomings that should be addressed when the law eventually is reauthorized.

Laudably, the draft explicitly sought to include teacher salaries in determining comparability. Indeed, the proposed language made it clear that school districts would be required to look at teacher salary allocations from state and local funds to ensure comparability in this area before applying any federal funds. The proposal also directly addressed the current law’s blind eye toward differences in teacher salaries as a result of differences in experience levels. (For a version of the House discussion draft proposed comparability provisions that shows changes from the current law, see Appendix 1.)

The discussion draft also addressed important implementation issues that are likely to arise when the comparability provisions are revamped. First, the draft proposed a three-year phase-in for achieving genuine comparability. And second, it explicitly stated that the provisions should not be construed to require any forced or involuntary transfer of personnel. Taken together, these proposed provisions were a responsible attempt to minimize disruption to current staff assignments and to head off likely criticism of the policy.

Despite the best intentions, the discussion draft also included a couple of recommendations that would undermine the push for fiscal comparability. Most problematic, the proposal focused the comparability determination exclusively on teacher salaries. Although teacher salaries should be an essential factor in ascertaining fiscal comparabil-
ity, they should not be the sole determinant. There are, of course, other important expenditures at the school level, including funding for teacher support and development as well as curricular and instructional materials.

The House discussion draft proposed that comparability could be satisfied if per-pupil expenditures for teacher salaries were at least 98 percent of the average expenditures in non-Title I schools. While this clearly is an improvement over current law, it does not require full equity. It does, however, eliminate the prohibition on Title I schools receiving a greater share of state and local funds.
Recommendations for Strengthening Comparability

The comparability provisions should require per-pupil expenditures of state and local funds in Title I schools that are at least equal to or greater than per-pupil expenditures in non-Title I schools.

From an equity perspective, it is extremely important to demand true fiscal equity as a requirement for receiving federal funds. All expenditures on instruction—staff, materials, technology, and so forth—should be included in determining comparability. Combining all expenditures into a single comparability determination will ensure fiscal equity while not impinging on schools’ flexibility and discretion in allocating funds. Public education has hardly begun to tap the potential of technology to transform learning opportunities, and federal law should not stifle innovation by protecting or preferring one kind of instructional expenditure over another.

On the other side of the equation, federal policy should not encourage greater expenditures on teachers without regard to costs and benefits. Class-size reduction has proved to be politically popular despite research showing its effects to be limited and its costs high. Further, investing in better teachers improves student achievement more effectively than adding teachers.

Yet if the discussion draft’s approach of focusing exclusively on teacher salaries were adopted, then districts likely would be pushed to meet the requirement largely by locating more teachers in these schools without adequate attention to quality or to the opportunity costs of spending money in this way. The same problem arises if teacher salaries are set apart as a discrete category in which comparability must be established. Making comparability determinations based on total per-pupil expenditures would minimize the danger that comparability requirements would be used to justify bad policy and practice.

Funds appropriated specifically for serving the additional needs of students with disabilities, and for English-language learners, should be excluded from the determination, as should expenditures from state and local programs that are established to meet the intent and purpose of Title I. This will ensure that base funding is at least equal and that programs designed to serve identified needs will be able to fulfill that role and will not have to make up for inequity in the base.

Likewise, expenditures for capital improvements and facilities should be accounted for outside of comparability. States should be pressed to assess and address disparities in access to modern, high-quality facilities. But leveling up high-poverty schools in this area
is going to be expensive and would skew the comparability determinations, which should be focused on operational expenses.

Teacher salaries, including differences in salaries based on experience, should be fully accounted for in the comparability determination.

Teacher salaries are the majority, or at least a very substantial share, of every school’s budget. For example, a study of Ohio elementary schools found that teacher salaries represent 80–90 percent of all instruction-related expenses. It makes no sense to leave this money out of the inquiry. This is especially important in light of the pervasive patterns of inequality that relegate high-poverty schools to hiring more novices and more under-credentialed teachers who are paid lower average salaries. Right now, these schools are doubly disadvantaged: They have lower-paid teachers, and their overall school budgets are smaller as a result. Comparability should at least ensure that Title I schools are “made whole” from a fiscal perspective.

Comparability should not constrain the additional resources provided to Title I schools.

Currently, the comparability provisions impose a 10 percent limit on the acceptable variance between Title I schools and non-Title I schools, without regard to whether the variance helps or harms the Title I school. This situation may have resulted from an assumption that any disparity would disadvantage the higher poverty schools. As more states and school districts embrace their responsibility to close achievement gaps, however, resource allocation may shift to the benefit of students in higher poverty, Title I schools. The national government should encourage and reward this shift.

Federal law should not reduce the determination of equitable educational opportunities to a purely fiscal inquiry.

Federal policy needs to do more (not less) to ensure students in high-poverty schools receive their fair share of the best teachers. But teacher salaries as currently structured have little or no relation to teachers’ effectiveness in the classroom. In fact, one of the most significant ways for teachers to raise their pay is by earning a master’s degree, which has not been shown to improve classroom effectiveness (with some research suggesting that teachers who possess a master’s degree may be slightly less effective than other teachers). This research begs the question of why the vast majority of school districts continue to peg salary increases to degree attainment. It does underscore, however, that we should not conflate teacher salary with teacher quality.

Recent research on the effectiveness of teachers in the Teach for America program underscores the importance of keeping fiscal equity separate from the important focus on teacher quality. Examining results from North Carolina’s statewide end-of-course tests over several years, and utilizing value-added statistical methodology to control for differences in students’ prior performance, researchers were able to estimate differences in individual teachers’ effectiveness in increasing student achievement. In North Carolina high schools, Teach for America teachers were more effective in their first and second years.
of teaching than experienced, regularly credentialed teachers across the state.\textsuperscript{31}

This research needs to be conducted beyond North Carolina, and then confirmed through other studies. But it suggests that it would be imprudent to require schools with Teach for America teachers to make up for their lower average salaries exclusively through hiring more teachers—especially if the additional teachers were not coming through Teach for America or other programs with demonstrated effectiveness.

Federal law has evolved to treat equity with regard to teacher quality separately from fiscal equity. This is as it should be. To close achievement gaps, we must close the well-documented gaps in access to qualified and effective teachers. Although the Elementary and Secondary Education Act can and should also be strengthened with regard to states’ and districts’ obligations to equitably assign teacher talent, this is much more complicated than ensuring fiscal equity. Ultimately, policy and practice need to ensure a fair distribution of effective teachers. Fiscal equity should be considered a baseline, foundational element of overall equity, but it cannot substitute for or replace a deep inquiry into who is teaching whom.

Equitable access to fiscal resources and teacher quality would go a long way in ensuring true equity in educational opportunity. But Congress also should require states to assess and attain equity in curricular offerings, instructional support materials, and facilities to support instruction.
Achieving true fiscal equity will be difficult for school districts unaccustomed to accounting for actual resource allocation at the school level. Many “special” programs, such as music, art, and gifted and talented, are administered from the central office and not accounted for in individual school budgets. A careful examination of the actual distribution of these special opportunities has revealed deep inequality in their distribution, with high-poverty schools often losing out to schools whose staff or parent community knows how to “work the system” better. Improved comparability provisions will demand more accurate accounting for expenses at the school level.

Including actual teacher salaries in calculations of resource allocations will be perhaps the biggest challenge in achieving fiscal equity. In most districts, salaries are budgeted at the district level, with schools receiving a specified number of positions as opposed to a budget to hire a staff. Under current rules, a single-salary schedule for educators and a policy of providing similar student-staff ratios suffices, which allows districts to ignore differences in teacher salary dollars across schools. This has facilitated the concentration of the most highly paid teachers in the schools with the fewest students from low-income families.

Correcting this imbalance demands sensitivity to schools, to communities, and to the teachers involved. Strengthened comparability provisions should not be implemented without a phase-in period. Schools accustomed to hiring teachers without regard to the budget implications need time to adjust. Schools with an inordinate share of a district’s highest paid teachers should not have to lose them; there are other, better ways of achieving comparability.

The first is to use the natural occurrence of retirement and attrition to bring balance to staff budgets. Once some of the highly paid teachers transfer to another position or retire, however, school leaders and personnel specialists need to be cognizant of the budgetary implications of new hires.

At some point, for comparability provisions that include actual teacher salaries to work, schools must begin to balance expenditures on teachers and other staff against the other potential uses of the money. Just because this has not been the norm is not a good reason to allow this situation to persist. Schools, like every other public and private institution, operate in a context of limited resources, and priorities need to be established and pursued.

If a school wants to have a faculty of relatively highly paid teachers, then it may need to offset the high cost of this decision with fewer expenditures somewhere else. Under cur-
rent practice, however, the “somewhere else” tends to be in the salary allocations of less fortunate schools. That’s what needs to be fixed.

Comparability can be achieved most easily and least controversially by leveling-up under-resourced Title I schools. The infusion of new money can avoid the zero-sum context of reallocating existing resources. As new money is budgeted for public education, it can be focused on making up for historical inequities. While all levels of government currently are experiencing budget pressures, it is likely that education funding will again increase, as it has consistently over the last several decades. Policies that channel increases in appropriations to high-poverty schools can help achieve comparability without the same political challenges associated with reallocating existing resources.

The case for comparability is based on fundamental fairness and good policy, but this will not stop protests from the previously privileged. Likely critics will come from two camps. First, teacher unions will object to the scaling back of teachers’ prerogatives to pick assignments without regard to educational and budgetary implications. This will be cloaked in an accusation of robbing Peter to pay Paul, without recognition that Paul represents high-poverty schools that have been shortchanged unfairly.

This line of argument potentially will motivate another stakeholder group to protest: parents in relatively affluent communities. Because low-poverty schools have been unfairly privileged under current budget practices, there will be a natural reaction to defend the status quo. Indeed, as strengthening comparability surfaced as a potential issue in reauthorization, some suggested that this would somehow infringe on local control. It will be important to address both substantive and political concerns directly. Funding inequality is antithetical to the premise of public education and undermines efforts to close achievement gaps.

By combining strategic use of natural attrition with targeted allocation of new resources, school districts can achieve comparability without disrupting current staff assignments. Opponents of comparability will use the specter of forced transfers or layoffs from privileged schools as scare tactics to undermine support for equity. It is important to meet this criticism with smart policy that minimizes the danger of these problems. It is just as important to meet the criticism with proactive communications and an aggressive response to misinformation—because the criticism will come no matter how well-crafted and fair the policy.

**Potential to Spur Innovation**

Demanding real fiscal equity as a matter of national policy will open up opportunities for other innovations and other improvements in public education.

First and foremost, real fiscal equity would ensure more resources find their way to high-poverty schools. The debate around comparability likely will focus on the burdens associated with changing school district budget policies, the disruptions to traditional teacher prerogatives, and the loss of “privileged status” for some schools. It will be important to focus the conversation on the students and families who have received inadequate or inequitable funding and on the profound implications for these young people, their communities, and the social fabric of the nation.
Driving additional state and local resources to Title I schools could support a broad range of improvements aimed at closing achievement gaps. Schools could use the money to recruit, support, and retain the best teachers, who are significantly less likely to be in high-poverty schools under prevailing policies. The schools could also use the money to extend learning time for struggling students. Extended days, extended school years, and other supplemental learning opportunities have all shown promise—and all cost money. Of course, how the money is spent will determine whether disadvantaged students learn more, but not if the money is not in their schools in the first place.

When the debate over comparability heats up—and anything that asks for this much change in public education tends to elicit heat—it will be important for comparability-reform advocates to remind policy makers and the public of the fundamental fairness at stake and of our nation’s commitment to equity.

The transition to true comparability could be used as an opportunity to implement a weighted student-funding policy. WSF policy assigns cost values to each student characteristic that requires additional services, and then allocates resources on the basis of these identified student needs. A student from a low-income family might be determined to need 50 percent more resources than a non-poor student to receive an equal education. A student with a mild disability might need 25 percent more resources, and a student with a profound disability might require 75 percent more. To allocate funds based on WSF, districts would calculate the needs of each individual student and send the resources to the student’s school. Hence, WSF also is explained sometimes as “the money follows the child.”

By demanding accurate accounting for actual salaries and other expenses at the school level, comparability would create conditions that would facilitate a transition to WSF.

Many WSF advocates also believe schools and principals should have greater flexibility and autonomy in spending decisions. Opportunities to advance this agenda could be created if comparability requirements were strengthened, but it is important to recognize that strengthening comparability would not directly lead to greater discretion at the school level with regard to resource allocations. School districts could ensure that greater resources were expended in high-poverty schools but still maintain authority to direct programs and practices from the central office. Many large districts, for instance, manage a district-wide curriculum and interim assessment system; stronger comparability requirements need not conflict with these educational policies.

To the extent that comparability is accompanied by any increased budgetary autonomy or control at the school level, districts need to plan for significant support and professional development for principals and other administrators. There are legitimate arguments in favor of giving principals greater flexibility in crafting school budgets, but principals traditionally have possessed neither authority nor great expertise in this area. It would be unfair and unrealistic to expect principals to take on this additional responsibility without more support and some lead-time to develop new skills. The benefits from giving principals greater authority and discretion might be worth it, but districts should recognize the additional challenges and plan accordingly.
Conclusion

Americans believe deeply in the creation of a level playing field; this value is in our national DNA. Even as public education represents a testament to that commitment, it is far from providing genuine equality of opportunity. The deck has been stacked against high-poverty schools and their students; comparability is an important component of un-stacking the deck and creating a level playing field.

The plain truth is that some students—especially students growing up in poverty—need more resources than other students to have equitable opportunities to achieve their potential. Comparability can ensure these students receive at least their fair share, which will be a big improvement over the status quo. Strengthening the comparability provisions is one of the most important steps Congress can take as it seeks to make the No Child Left Behind Act a more powerful tool for closing achievement gaps in public education.
APPENDIX
Proposed Fiscal Provisions from House Discussion Draft,
Tracking Changes from Current Provisions

SEC. 1121. FISCAL REQUIREMENTS.
(a) MAINTENANCE OF EFFORT.—A local educational agency may receive funds under this part for any fiscal year only if the State educational agency involved finds that the local educational agency has maintained the agency's fiscal effort in accordance with section 9521.
(b) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT, NONFEDERAL FUNDS.—
(1) IN GENERAL.—A State educational agency or local educational agency shall use Federal funds received under this part only to supplement the funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs assisted under this part, and not to supplant such funds.
(2) SPECIAL RULE.—No local educational agency shall be required to provide services under this part through a particular instructional method or in a particular instructional setting in order to demonstrate such agency’s compliance with paragraph (1).
(c) COMPARABILITY OF SERVICES.—
(1) IN GENERAL.—
(A) COMPARABLE FUNDING IN GENERAL.—Except as provided in paragraphs (4) and (5), a local educational agency may receive funds under this part only if the average expenditure per pupil of State and local funds for teacher salaries, in the schools served under this part is equal to or greater than the average expenditure per pupil of State and local funds on teacher salaries, in schools that are not receiving funds under this part.
(B) COMPARABLE FUNDING AMONG SCHOOLS SERVED UNDER THIS PART.—If the local educational agency is serving all of such agency’s schools under this part, such agency may receive funds under this part only if the average expenditure per pupil of State and local funds on teacher salaries, in schools in the two highest quintiles of the percentage of pupils from low-income families is equal to or greater than the average expenditure per pupil of State and local funds on teacher salaries, in schools in the two lowest quintiles of the percentage of pupils from low-income families.
(C) BASIS.—A local educational agency may meet the requirements of subparagraphs (A) and (B) on a grade-span by grade-span basis or a school-by-school basis.
(2) EQUIVALENCE.—(A) IN GENERAL.—A local educational agency shall be considered to have met the requirements of paragraph (1) if such agency has filed with the State educational agency an up-to-date school-by-school listing of per-pupil expenditures, [on teacher salaries] from State and local sources, demonstrating comparability across schools as required by subparagraphs (A) and (B) of paragraph (1). For the purposes of meeting the requirements of paragraph (1), a local educational agency shall be considered to have equal average expenditures per pupil on teachers salaries from State and local funds if such expenditures in schools served under this part are 98 percent of the expenditures of schools not served under this part.
(B) DETERMINATIONS.—For the purpose of this subsection, in the determination of expenditures per pupil from State and local funds, or instructional salaries per pupil from State and local funds, staff salary differentials for years of employment shall be included in such determination.
(3) MONITORING.—

(A) REGULATIONS BY SECRETARY.—No later than six months after the date of the enactment of [short title of 2007 reauth], the Secretary shall issue regulations to States on their responsibility for meeting the requirements of this section.

(B) REGULATIONS BY STATES.—Within one year after the date on which regulations required by paragraph (1) are issued, each State educational agency shall create and distribute to local educational agencies, and make available to the public, regulations on the responsibilities of local educational agencies for meeting the requirements of this section.

(C) PLAN BY LOCAL EDUCATIONAL AGENCIES.—Within six months after the date on which regulations required by paragraph (2) are distributed, each local educational agency shall develop and submit to the State educational agency a plan, including a timeline and annual benchmarks, that will ensure comparability as described in subparagraphs (A) and (B) of paragraph (1) not later than [three years] after the date on which regulations required by paragraph (2) are distributed. The plan shall be made available, upon request, to the public.

(D) PROGRESS.—Each State educational agency shall issue guidelines or regulations to local educational agencies to determine progress in meeting the requirements of this section.

(E) AUDIT.—In each of fiscal years 2008 and 2009, the Inspector General of the Department shall audit 5 States and 10 local educational agencies to determine progress in meeting the requirements of this section.

(4) INAPPLICABILITY.—This subsection shall not apply to a local educational agency that does not have more than one building for each grade span.

(5) COMPLIANCE.—For the purpose of determining compliance with paragraph (1), a local educational agency may exclude State and local funds expended for—

(A) language instruction educational programs;

(B) the excess costs of providing services to children with disabilities as determined by the local educational agency; and

(C) supplemental State or local funds in any school attendance area or school for programs that meet the intent and purpose of this part.

(6) FORCED TRANSFERS.—Nothing in this subsection shall be construed to require the forced or involuntary transfer of any school personnel to comply with subparagraph (A) of paragraph (1).
Endnotes


15 Ibid., p. 16.

16 Ibid., p. 7–8.

17 Roza, M., supra, note 12 at p. 9–11.


19 Data from the Ohio Department of Education website, http://www.ode.state.oh.us, for the 2006-07 school year; calculations by the Education Trust. Olentangy Meadows Elementary School is described in the example; Glen Oak Elementary School is the other Title I school in the district. It is important to note that the inequity in state and local funding allocations may be understated in this example, because the data include Title I and other categorical expenditures, which are supposed to be excluded from comparability calculations.

20 Unofficial calculations by the Education Trust, based on data for the 2006–07 school year provided by New York City Department of Education (on file with author).

21 These figures, however, include Title I money as well as other state and local resources that operate with similar purposes to Title I, which can be excluded from comparability determinations. The point being made is that Title I should not be concerned about how much additional resources are provided in Title I schools, but only with ensuring they get at least comparable allocations.

22 See “Good Teaching Matters” (The Education Trust, 1998); “The Real Value of Teachers” (The Education Trust, 2004).

23 R. Gordon, T. J. Kane, and D.O. Staiger, “Identifying Effective Teachers Using Performance on the Job” (The Brookings Institution, 2006) (“If the effects were to accumulate, having a top-quartile teacher rather than a bottom quartile teacher four years in a row would be: enough to close the black-white test score gap… and, [h]ave twice the impact of reducing class size from 22 to 16”); C. Clotfelter, H. Ladd, and Vigdor, “How and Why Do Teacher Credentials Matter for Student Achievement?” (2007).


27 Organizations that publicly have called on Congress to strengthen the comparability provisions include the Center for American Progress, the Urban League, the Citizens Commission on Civil Rights, and the Education Trust.

28 R. Gordon, T.J. Kane, and D.O. Staiger, “Identifying Effective Teachers Using Performance on the Job” (“If the effects were to accumulate, having a top-quartile teacher rather than a bottom quartile teacher four years in a row would . . . have twice the impact of reducing class size from 22 to 16”).


31 Z. Xu, J. Hannaway, and C. Taylor, “Making a Difference?: The Effects of Teach for America in High School” (The Urban Institute and CALDER, 2008).

32 M. Roza with L. Miller and P. Hill, “Strengthening Title I Schools to Help High-Poverty Schools: How Title I Funds Fit Into District Allocation Patterns.”
About the Authors

Matt Hill

Matt Hill is currently working for the Oakland Unified School District as the executive officer for strategic projects. In this role he oversees the District’s strategic planning process and helps manage the strategic projects for the district. Prior to this role he was the program manager for Expect Success, the school district’s $43 million reform program that consists of over 20 initiatives. Prior to joining Oakland Unified, Mr. Hill worked in Black & Decker’s Business Development group, where he redeveloped the strategic planning process for the hardware and home improvement division. Mr. Hill also worked as a strategy consultant with the Johnson and Johnson UCLA Management Fellows program for Head Start and healthcare executives. Previously, he worked for Accenture as an analyst, and then as a process consultant in the financial services industry, where he worked on technology and strategy projects. He holds a B.S. in business administration from the University of North Carolina, and an M.B.A. from the UCLA Anderson School of Management. In addition, Mr. Hill serves on the board of directors for the Children’s Council of San Francisco.

Phyllis McClure

Phyllis McClure’s professional career has centered on school desegregation and Title I of the Elementary and Secondary Act of 1965. That involvement began in the 1960s in the Office for Civil Rights of the Department of Health, Education and Welfare and at the U.S. Commission on Civil Rights. She continued her career commitment to educational equity for poor and minority students at the NAACP Legal Defense and Educational Fund in 1969 until 1994. Throughout those years she played a direct role in monitoring enforcement of Title I and Title VI of the 1964 Civil Rights Act. This involved conducting workshops on Title I for black parents and community groups, investigations, filing complaints about misuse of Title I funds and the adverse racial effect of ability grouping on black students, and studying the implementation of school desegregation plans. She was co-author of the 1969 report “Title I of ESEA: Is It Helping Poor Children?”—an expose about the initial failure of Title I to spend federal money on the educational needs of disadvantaged children in high-poverty schools. Ms. McClure then served on the U.S. Office of Education’s Title I Task Force in 1969–1970 that helped create the first rules on comparability. Ms. McClure holds a B.A. from the University of Connecticut, an M.A. in history from the University of California-Berkeley, and an M.P.A. from the John F. Kennedy School of Government.
Marguerite Roza

Marguerite Roza, Ph.D., serves as a research associate professor with the Center on Reinventing Public Education at the University of Washington. Dr. Roza’s research focuses on education spending and productivity in the context of education policy. Recent research has documented the real dollar implications of education policies once realized inside schools and across schools within districts. Her calculations of dollar allocations and cost equivalent tradeoffs have implications for education finance policy at all levels in the education system. Her work has been published by Education Sector, the Brookings Institution, Education Next, and the Peabody Journal of Education. Dr. Roza earned a Ph.D. in education from the University of Washington. Prior to that, she served as a Lieutenant in the U.S. Navy, teaching thermodynamics at the Naval Nuclear Power School. She has a B.S. from Duke University and has studied at the London School of Economics and the University of Amsterdam.

Ross Wiener

Ross Wiener is vice president for program and policy at the Education Trust, a national, non-profit organization focused on closing achievement gaps in public education. Prior to joining The Education Trust, Mr. Wiener served as a trial attorney in the civil rights division of the U.S. Department of Justice. As an attorney in the educational opportunities section, he investigated and prosecuted violations of federal civil rights laws in schools and school districts across the country, including cases involving desegregation, disability rights, harassment, and the adequacy of services to limited-English proficient students. Mr. Wiener received a B.A. with honors in history from the University of Wisconsin-Madison, a law degree with high honors from the George Washington University Law School, and clerked for Judge Kermit Victor Lipez of the U.S. Court of Appeals for the First Circuit.
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Center for American Progress
1333 H Street, NW, 10th Floor
Washington, DC 20005
Tel: 202.682.1611 • Fax: 202.682.1867
www.americanprogress.org