

The State Education

September 2018

Standard

The Journal of the National Association of State Boards of Education



GETTING TO THE CORE OF SCHOOL FINANCE



**Courts' Rule on Funding
Adequacy and Equity**

**Uneven Terrain of
Teacher Pay**

**New Transparency on
School-Level Spending**

**Braiding and Blending
for Pre-K**

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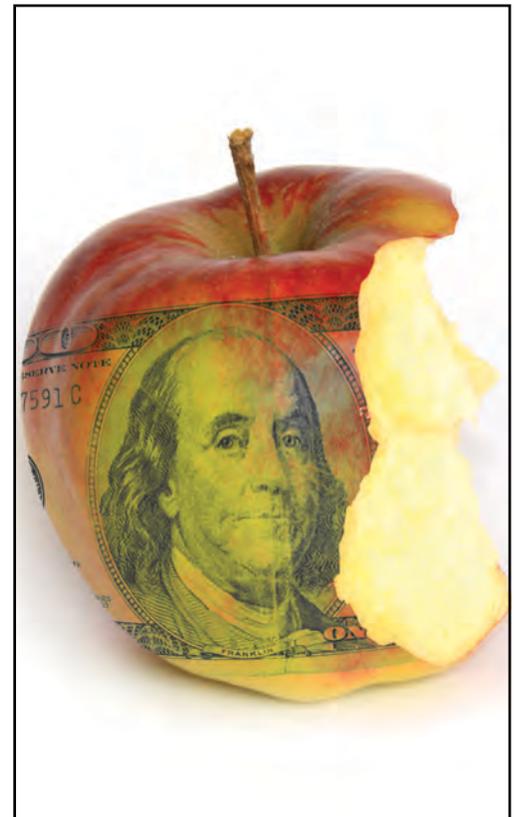
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Editor's Note

Valerie Norville
Editorial Director

School finance occupies more space on state board of education agendas than any other single topic, making up about half of all information and action items that NASBE captures in its State Board Insight database. These tend to be items of the moment: a review of budget requests and legislative appropriations, guidance to districts on how they report spending, or approval of disbursing grant funds. We hope this issue will provide a wider angle on these critical issues and a context for state boards' ongoing discussions.

First off, we take a step back to get a better view of the arc of the struggle for adequate and equitable funding for public education. Michael Rebell, who leads the Center for Educational Equity and teaches at Teachers College, follows the role of state supreme courts, where plaintiffs arguing for equity have gotten mixed results over the last several decades, but those arguing for adequacy have—since the advent of high-quality learning standards—enjoyed more success. The issue ends with Kris Amundson's interview with two venerable leaders of the Kansas State Board of Education, Jim Porter and Jim McNiece, who discuss their board's role in advocating for students over the many years that the Kansas Supreme Court and legislature have struggled over funding adequacy.

Georgetown University's Marguerite Roza urges state boards to also look at the spending side of the equation. While local school boards and district officials make spending decisions, states are not yet doing a good job of ensuring that local officials have the training they need to spend wisely and equitably, she says. "That dearth of skill is hamstringing leaders who could otherwise be making

better-informed decisions for deploying money so they can help students the most," says Roza. Local capacity for financial leadership became more urgent with a new provision in the Every Student Succeeds Act, writes The Education Trust's Ary Amerikaner. State leaders—and parents—will have access to school-level spending data, and education officials will thus need to be prepared for the questions such transparency is bound to generate. Resource allocation reviews are another transparency tool that state leaders should use to assess how well education dollars are spent and where they go, she writes.

Karen Hawley Miles and Nicole Katz of Education Resource Strategies address the timely topic of teacher salaries. They detail the uneven compensation landscape from state to state, and they urge state boards to ask tough questions about how teachers are paid within the larger context of whether all resources are distributed equitably and well.

Margie Wallen and Judy Reidt-Parker of the Ounce of Prevention Fund press state boards to take the lead in identifying and removing obstacles to braiding and blending the many diverse funding streams that feed pre-K programming in their states.

No issue on school finance would be complete without an article on the benefits of student-driven funding and on Exhibit A in that lane: California's Local Control Funding Formula, with the attendant Local Control and Accountability Plan (LCAP) required of each district. In the view of EdBuild's Rebecca Sibilia, LCAP "brings accountability to the next level by empowering the state board to consider and evaluate alignment between funding and planned priorities and programs." ■

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News & Notes

The Senate Appropriations Committee approved the U.S. Department of Education's fiscal year 2019 budget on a 30-1 vote in June. The House Appropriations Committee approved a competing education spending bill on a 30-22 vote on July 11. The committees are working to reconcile the bills' differences, and Senate and House leaders in mid-summer were considering moving a final education spending measure through the process as part of a broader bill that included the annual Department of Defense spending bill. If this effort stalls, Congress will most likely wait until after November elections to complete the process.

Also in July, the Senate and House approved legislation (S. 3217) to update the Perkins Career and Technical Education Act, which has not been reauthorized since 2006. The act makes notable changes to the law but does not dramatically reshape the federal CTE investment. These changes include improvements sought by NASBE, including a focus on promoting stronger education and business partnerships to ensure students are equipped with valuable skills, expanding dual and concurrent enrollment opportunities, and investing in CTE educators and classrooms.

The full Senate approved the president's nomination of Frank Brogan to lead ED's Office for Elementary and Secondary Education. Brogan most recently served as chancellor of the Pennsylvania State System of Higher Education. Jason Botel, the current acting assistant secretary, is expected to continue serving

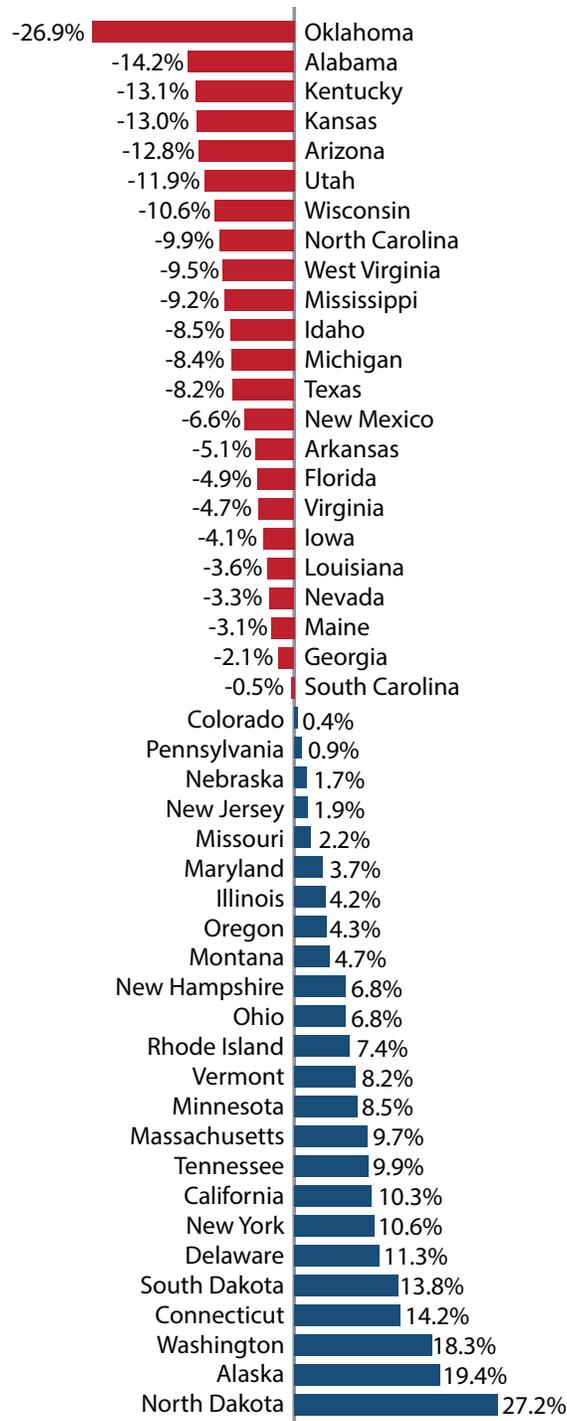
as deputy assistant secretary. The Senate also approved the nomination of Scott Stump to lead the Office of Career, Technical, and Adult Education and the nomination of James Blew to serve as assistant secretary of the department's Office of Planning, Evaluation, and Policy Development.

Following months of negotiations, the House narrowly passed (213-211) a Republican plan for updating the nation's farm, rural development, and nutrition programs. Twenty Republicans joined all Democrats in opposing the measure. The full Senate approved a separate, bipartisan farm bill (the Agriculture Improvement Act) to update programs like the School Lunch Act. The Senate's action clears the way for House-Senate conference negotiations to develop a final bill for the two bodies to consider.

In June, the Trump administration proposed restructuring the federal government, including combining the Departments of Education and Labor into an agency called the Department of Education and the Workforce. This new department would have four areas of focus: K-12 education, workforce and higher education (including the federal student aid programs), enforcement of labor and civil rights laws, and research. Although House and Senate committee leaders had mixed reactions, Congress is not expected to approve the proposal, given that 60 votes would be required to move the bill through the Senate, and Senate Democrats appear disinclined to support it.

Table 1. State General Funding per Student Still Lower than 2008 in 23 States

Percent change in state formula funding* per student, inflation adjusted, fiscal years 2008–2017



* General or formula funding is the primary form of state K-12 funding. States also typically provide revenue for other, more specific purposes, such as bus transportation and contributions to school employees and pension plans.

Note: Hawaii, Indiana, and Wyoming are excluded because the data necessary to make a valid comparison are not available.

Source: Michael Leachman et al., "After Nearly a Decade, School Investments Still Way Down in Some States" (Washington, DC: Center on Budget and Policy Priorities, October 2016). Reprinted with permission.

The Curious Case of the Blaine Amendments and Public Funding of Schools

Many state constitutions have provisions regarding establishment of religion that are more specific and restrictive than the U.S. Constitution's First Amendment. Known as Blaine Amendments and found in 37 state constitutions, these provisions typically prohibit public funding "in aid of" (as opposed to directly "to") nonpublic/religious schools or institutions.¹

James Blaine, a U.S. senator from Maine with presidential aspirations, proposed the original Blaine Amendment in 1875 to amend the U.S. Constitution. The amendment said that "no money raised by taxation in any State for the support of public schools ... shall ever be under the control of any religious sect..." It failed. At the time, nothing in U.S. jurisprudence held that the First Amendment applied to the states, so nothing restrained states from funding religiously controlled educational institutions.

By then, America's population had shifted from about 1 percent Catholic at the time of independence to over 10 percent.² Overt Protestant views dominated the curriculum of public schools to an extent that almost certainly would be deemed to violate the Establishment Clause in the modern era. Catholic citizens protested such practices and sought to establish their own schools, arguing that some money from the public coffers or tax breaks should come their way.

While failing in the U.S. Congress, the Blaine language took root in states. Within a year, 14 had enacted similar legislation, and by the close of the 1890s, about 30 states had introduced similar provisions in their constitutions.

Fast forward to the current Blaine landscape. Such an amendment can pose legal obstacles for states' attempts

to legislate vouchers and other types of financial aid for parents of children attending private religious schools and to the schools themselves. The size and shape of the obstacles depend on a specific constitution's language.

While court decisions span the spectrum, the pendulum has swung against the Blaine amendments preventing such programs. The U.S. Supreme Court case *Mitchell v. Helms* in 2000 saw a weakening of the defense of Blaine language and its use to challenge programs that directly or indirectly aid parochial schools or students. Consequently, Blaine language will likely be considered as discriminating based on viewpoint, thus violating the free speech clause of the First Amendment.

Most recently, the Supreme Court issued a 2017 decision in *Trinity Lutheran* involving Missouri's version of a Blaine Amendment. In *Trinity*, a religious preschool was denied a state grant for playground resurfacing based on Blaine language. The Supreme Court found for the preschool on the basis that a neutral government grant program violated the First Amendment when it denied funds based only on the religious status of a qualified recipient. The court attempted a narrow ruling close to the facts—playground resurfacing grants—but the implications for the ability of states to rely on Blaine Amendments to deny public funding to religious entities per se in the broad sense are obvious. ■

¹Erica Smith, "Blaine Amendments & the Unconstitutionality of Excluding Religious Options from School Choice Programs," 18 *Federalist Society Review* 88 (2017).

²Mark E. DeForrest, "An Overview & Evaluation of the State Blaine Amendments," 23 *Harvard Journal of Law & Public Policy* 551 (Spring 2003).



Scott Summers
President, National Council of
State Education Attorneys,
Nebraska



School Funding: The Role of the Courts

In March 2018, the Washington State legislature voted to increase spending on teacher salaries and special education services by \$776 million, capping a six-year effort to comply with an order of the Washington Supreme Court. In June, the

court held that the state had complied and ended its jurisdiction. The court had ruled in 2012 that the state “had not met its duty to make ample provision for basic education.”¹ The court accepted a legislative task force’s plan for providing

Plaintiffs tend to prevail when they argue resources are inadequate for schools to meet a state’s expectations for students.

by Michael A. Rebell

Since 1989, plaintiffs have prevailed in over 65 percent of the final liability decisions in cases based on “adequacy claims.”

all students in the state an ample education, but because the legislature had not taken adequate steps to ensure that the plan would be sufficiently funded, the court had retained jurisdiction until its ruling this summer.

This far-reaching court decision, which has resulted in more than a 50 percent increase and an overall boost in annual K-12 spending of \$3.7 billion in the state, is part of a much larger national movement to ensure sufficient funding to provide all students an adequate education. Lawsuits challenging state methods for funding public schools have been launched in 46 of the 50 states, and in recent years they have been extraordinarily successful. Since 1989, plaintiffs have prevailed in over 65 percent of the final liability decisions in cases based on “adequacy claims”—assertions that all students have a constitutional right to a meaningful educational opportunity.

Although most of these cases are brought against the state, the governor, and the legislature, state boards of education and/or state superintendents and state education departments are also often joined as defendants. Generally, the state’s attorney general defends the action, with the active involvement of the governor and, at times, the legislative leadership. State boards and state superintendents are often asked to provide information and testimony to support the state’s case, but the extent to which they become involved in defending the state’s position varies substantially from case to case. Indeed, in New York, both the state commissioner and the head of the state Board of Regents cooperated extensively with the plaintiffs and provided strong testimony to support their case,² and in Kansas, the state board took an independent stance in the litigation.³

Origins of the State Courts’ Involvement

The state courts’ active involvement in promoting equal educational opportunity in the schools resulted from the U.S. Supreme Court’s refusal to consider the extensive inequities in state systems for financing education. Substantial inequities in school funding have historically plagued education systems in almost all of the states, due to the fact that

the financing of public education has long been based primarily on local property taxes. Consequently, children who live in districts with low wealth and low property values—as most low income and most minority students do—will have substantially less money available to meet their educational needs.

A legal challenge to Texas’s education finance system, *Rodriguez v. San Antonio Independent School District*, reached the U.S. Supreme Court in 1973.⁴ The *Rodriguez* plaintiffs lived in Edgewood, a district in the San Antonio metropolitan area whose students were approximately 90 percent Mexican American and 6 percent African American. The district’s property values were so low that even though its residents taxed themselves at a substantially higher rate than did the residents of the neighboring largely Anglo district, their average per pupil spending was only about half of that of the neighboring affluent district—even though their students’ needs were much greater. The Supreme Court acknowledged that Texas’s school finance system was highly inequitable, but it nevertheless denied the plaintiffs’ claim, primarily because it held that education is not a “fundamental interest” under the federal constitution.

The Supreme Court’s ruling in *Rodriguez* precluded the possibility of obtaining fiscal equity relief from the federal courts. Somewhat surprisingly, the state courts, which traditionally had not been innovators on constitutional civil rights issues, picked up the baton. Shortly after the U.S. Supreme Court issued its decision in *Rodriguez*, the California Supreme Court held that education is a fundamental right under the California constitution, even if it was not under the federal constitution.⁵ Soon thereafter, courts in states like New Jersey, Connecticut, and West Virginia also declared their state education finance systems unconstitutional.

Although plaintiffs prevailed in most of the initial state court litigations, difficulties in actually achieving equal educational opportunity in these early cases seem to have made other courts less inclined to uphold similar claims. In some states, equity decisions resulted in more state aid flowing to low-wealth districts, but the main beneficiaries were taxpayers whose property tax bills were cut or capped while

little extra money actually went to the schools. In other situations, courts deferred to the legislature to devise a remedy for the inequities and then found themselves embroiled in prolonged litigations to compel the legislature to act or to improve inadequate remedies. Thus, in New Jersey, three years after the court's initial decision in *Robinson v. Cahill*,⁶ the New Jersey Court had been involved in no less than five follow-up compliance litigations.

Courts in other equity cases directed the state legislatures to remedy the inequities by taking the seemingly obvious path of simply eliminating disparities in educational expenditures. Thus, in the *Serrano* litigation in California, the court held that wealth-related disparities among school districts (apart from categorical special needs programs) must be reduced to "insignificant differences," which it defined as "amounts considerably less than \$100 dollars per pupil." This equalization mandate, combined with the California vote for a constitutional cap on increases in local property taxes known as Proposition 13, dramatically leveled educational expenditures down. California had ranked fifth in the nation in per pupil spending in 1964–65; by 1994–95 it had fallen to 42nd.⁷

Despite an initial flurry of pro-plaintiff decisions in the mid-1970s, 15 state supreme courts had denied any relief to the plaintiffs as of 1988, compared with 7 states in which plaintiffs had prevailed. More recently, however, there has been a dramatic reversal: Since 1989, the highest courts in 25 states have issued decisions affirming or enforcing that right, while courts in 13 states have upheld defendants' positions. (Plaintiffs' success rate, though still substantial, has dropped somewhat since the 2008 recession; from 2009 through 2017 they have prevailed in about 50 percent of the cases.)

This dramatic turnaround in judicial outcomes appears to be related to a major shift in legal strategy by plaintiff attorneys. At the end of the 1980s, civil rights lawyers changed their focus—from equal protection claims based on disparities among school districts in the level of educational funding to claims based on opportunities for a basic level of education guaranteed by specific provisions in state constitutions. The education clauses

of virtually all state constitutions contain language that requires the state to provide all its students "an adequate public education,"⁸ "a thorough and efficient education,"⁹ a "high quality system of free public schools,"¹⁰ or a "sound basic education."¹¹

The Shift to "Educational Adequacy"

The roots of this constitutional movement extend back to the 18th and 19th centuries. From our country's earliest years, public education advocates such as John Adams, Thomas Jefferson, and Benjamin Rush recognized that if the new experiment in republican government were to succeed, all citizens would need to take on basic civic responsibilities, and they would need a sound basic education in order to do so. As John Adams put it, the country's education system would need to be substantially expanded to increase knowledge and "raise the lower ranks of society nearer to the higher."¹²

State constitutions of the 18th century codified this democratic view of the importance of education. For example, the Constitution of the Commonwealth of Massachusetts, part II, ch. V § 2, penned largely by Adams in 1780, proclaims:

Wisdom and knowledge, as well as virtue, diffused generally among the body of the people, being necessary for the preservation of their rights and liberties; and as these depend on spreading the opportunities and advantages of education in the various parts of the country, and among the different orders of the people, it shall be the duty of the Legislators, and Magistrates, in all future periods of the Commonwealth, to cherish the interests of literature and the sciences, and all seminaries of them; especially the . . . public schools and grammar schools in the towns.

In the 19th century, Horace Mann and other proponents of the common school movement began to implement this vision by replacing the prior patchwork of private, religious, and pauper schools with a single school system available to the children of rich and poor alike. Excluded, of course, were the children

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With the advent of the standards movement, plaintiffs in the state courts could point to a clear state definition of an “adequate” education.

of black slaves—the consequences of which haunt the United States to the present day. But the common schools nonetheless represented a significant leap in spreading the benefits of education across class lines.

The fierce political battle to implement these common school reforms culminated, in the latter half of the 19th century, in the incorporation of language into dozens of state constitutions that guaranteed the establishment of “a system of free common schools in which all the children in the state may be educated.” Some states further emphasized the importance of fully educating all citizens by calling for a “thorough and efficient system of common schools throughout the state.” The adequacy movement’s legal claims are based on such language in state constitutions, with plaintiffs in nearly every state using these phrases to argue that poorly funded schools violate students’ constitutional rights to a quality education.

“Standards-based” reforms in recent decades, adopted by virtually all states, provided an additional impetus for the adequacy approach. International comparisons in the 1980s revealed American students’ poor performance relative to their international peers, especially in science and mathematics. The standards-based reform movement responded by establishing high expectations for all students and by expanding educational opportunities to allow all students to meet these standards. The movement was initiated at the 1989 National Education Summit, which all 50 of the nation’s governors and a cadre of CEOs of major corporations attended, and the No Child Left Behind Act in 2002 accelerated it.

By the early 1990s, nearly every state had made a commitment to develop thoroughgoing statewide academic learning standards that would identify what students at each grade level needed to know, specify requirements for the proper training of teachers capable of providing instruction aligned with those standards, and provide aligned curricula or curricular guidelines, as well as the books, facilities, and other resources, necessary for proper instruction. Indeed, the proliferation of state standards, more than any other development, launched the current wave of adequacy lawsuits and spurred plaintiff victories.

State defendants had won most of the early educational funding cases, in part because judges lacked manageable standards for determining what amount of funding was equitable or for overseeing legislative formulas. This view was also clearly manifested in *Rodriguez*, where the U.S. Supreme Court stated that one of its reasons for refusing to remedy the blatant inequities in Texas’s system was a reluctance to jump into a maelstrom of unresolved education policy controversies. With the advent of the standards movement, plaintiffs in the state courts could point to a clear state definition of an “adequate” education—that is, the state education standards that state boards had set. These provided the courts “judicially manageable standards” that they could use as the basis for estimating the amount of money necessary to provide the opportunity for a sound basic education. The availability of these manageable remedial standards inclined many more judges to rule in plaintiffs’ favor.

Not surprisingly, most school districts that serve predominantly poor and minority students lack adequate funding to provide their students the opportunity to achieve the targets that states themselves had set. In these “adequacy” cases, courts focus on the substance of the education students are actually receiving in the classroom rather than comparing the funds that are available to each school district, as in the equity cases. Across the country, plaintiffs’ success in these cases resulted from the evidence they marshaled of widespread patterns of educational inadequacy that primarily affected low-income and minority students. For example, one poor rural Arkansas school district had a single uncertified mathematics teacher to cover all high school mathematics courses.¹³ And although passing an examination in a laboratory science course is required for high school graduation in New York State, at the time of the trial, 31 of approximately 100 New York City high schools had no science labs.¹⁴ Defendants have rarely been able to demonstrate that adequate resources are in fact being provided to students in low-income and minority areas. Where defendants have prevailed in adequacy cases, most state courts have leaned on arguments based on separation of powers and in their decisions declined to accept jurisdiction and

to even review the evidence because they have held that it is constitutionally inappropriate for courts to review policy decisions of the legislative and executive branches.¹⁵

The adequacy approach tends to elicit less political resistance at the remedial stage because rather than raising fears of “leveling down” educational opportunities available to affluent students, it promises to “level up” academic expectations. That is, although the lowest achieving students have the most to gain from standards-based reform, the reforms are comprehensive and meant to benefit all students.

The courts generally have rejected defendants’ attempts to interpret these education clauses in state constitutions as providing only limited rights, and “the concept of an adequate education emerging from state courts . . . goes well beyond a basic or minimum educational program that was considered the acceptable standard two decades ago.”¹⁶ Essentially, what the court orders have done in these cases is to

require states to ensure that schools—and especially schools in poor urban and rural areas—have the resources to provide their students a fair opportunity to meet the state’s own standards and federal accountability requirements. They have ordered states to revise their education finance systems to ensure that districts with low property tax wealth will have sufficient funding to provide all their students a sound basic education.

Accomplishments of the Adequacy Movement

Judicial intervention does not always spark achievement gains, especially when legislatures resist reform and courts do not steadfastly enforce their remedies. Yet overall, the results of judicial interventions in this area have been impressive. A January 2015 National Bureau of Economic Research study considered the impact of state supreme court decisions in 28

What the court orders have done is to require states to ensure that schools have the resources to provide their students a fair opportunity to meet the state’s own standards.

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History has shown that substantial gains in reducing achievement gaps can indeed be realized—if states provide schools sufficient resources to do so and schools use them well.

states between 1971 and 2010.¹⁷ It concluded that school finance reforms stemming from court orders have tended both to increase state spending in lower-income districts and to decrease expenditure gaps between low- and high-income districts.

Authors C. Kirabo Jackson et al. went further. In analyzing the effects of court-ordered funding reforms on students' long-term success, they found that a 20 percent increase in annual per pupil spending for K-12 low-income students led to almost one more year of completed education. In adulthood, these students experienced 25 percent higher earnings and a 20 percent decrease in adult poverty. The researchers posit that these results could reduce the achievement gap of adults who were raised in low- and high-income families by at least two-thirds.¹⁸ Other recent studies have reached similar results.¹⁹

State boards of education have overwhelmingly approved standards-based reforms and have often stated that all children can achieve at the proficiency levels called for in the standards. The history of the state court education adequacy cases has shown that substantial gains in reducing achievement gaps can indeed be realized—if states provide schools sufficient resources to do so and schools use them well. In states where court orders to ensure adequate levels of education funding have been issued, state boards should therefore support judicial efforts. They should also support efforts of teachers and advocacy groups to ensure adequate funding in states where the courts have declined to take a stand. ■

¹McCleary v. State 269 P.3d 227 (WA, 2012).

²In CFE v. State of New York, 801 N.E.2d 306 (2003), plaintiffs had originally joined the commissioner and the Board of Regents as defendants, but after the commissioner objected that much of the evidence of inequities in funding that plaintiffs had described in their papers was based on official reports and positions of the state's education department, the plaintiffs entered into a stipulation with the commissioner that removed him, the regents, and the education department as named defendants so long as they agreed to cooperate with plaintiffs in the discovery process and to testify without being subpoenaed if called to do so. (I was co-counsel for plaintiffs in this litigation.)

³See interview with Jim Porter and Jim McNiece on the Kansas state board in this issue, p. 32.

⁴Rodriguez v. San Antonio Independent School District, 411 U.S. 1 (1973).

⁵Serrano v. Priest, 557 P.2d 929 (Cal. 1976).

⁶Robinson v. Cahill, 303 A.2d 273 (N.J. 1973).

⁷Mark Schauer and Steve Durbin, "Protecting School Funding," *Sacramento Bee* (June 28, 1993), p. B14.

⁸Ga. Const. art. VIII, § 1, ¶ 1.

⁹N.J. Const. art. VIII, § 4, ¶ 1.

¹⁰Fla. Const. art. IX, §1.

¹¹N.Y. Constitution. Art. XI, § 1; *Levittown v. Nyquist*, 439 N.E.2d 359, 368-69 (NY, 1982).

¹²David McCullough, *John Adams*, quoted letter from John Adams to Matthew Robinson, 23 March 1786 (New York: Simon and Schuster, 2001), p. 364.

¹³Lake View Sch. Dist., No. 25 of Phillips County v. Huckabee (2001).

¹⁴CFE, 326, 334 n.4.

¹⁵See Michael A. Rebell, *Courts and Kids* (Chicago: University of Chicago Press, 2009), pp. 22–23. The majority of the state courts have, however, held that it is appropriate—and indeed it is the courts' responsibility—to determine whether the political branches are meeting their constitutional responsibilities. *Ibid.*, 25–26.

¹⁶Deborah A. Verstegen, "Judicial Analysis during the New Wave of School Finance Litigation: The New Adequacy in Education," *Journal of Education Finance* 24, no.1 (1998): 52–68, <http://eric.ed.gov/?id=EJ568583>.

¹⁷C.K. Jackson et al., "The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms," *NBER Working Paper* No. 20847 (Cambridge, MA: National Bureau of Economic Research, 2015).

¹⁸The authors note, however, that the spending changes they analyzed occurred during a period in which average school funding levels were much lower than they are at present. It is possible, therefore, that increases in education spending could have diminishing marginal impacts, meaning that to obtain learning gains of the same magnitude in future, even higher increases in spending might be required.

¹⁹See, e.g., Julien Lafortune et al., "School Finance Reform and the Distribution of Student Achievement," *IRLE Working Paper* #100-16 (Berkeley, CA: IRLE, revised 2016), <http://irle.berkeley.edu/files/2016/School-Finance-Reform-and-the-Distribution-of-Student-Achievement.pdf>. The authors find that the "reforms cause increases in the achievement of students in these districts, phasing in gradually over the years following the reform."

Michael A. Rebell is executive director of the Center for Educational Equity, professor of practice in educational policy and law at Teachers College, Columbia University, and adjunct professor at Columbia Law School. He is author of *Flunking Democracy: Schools, Courts, and Civic Participation* (University of Chicago, 2018).



Equipping School Leaders to Spend Wisely

Raise the topic of education finance and most will jump to the revenue side of the equation: Is there enough money? Are districts funded equitably? But the spending side is equally important and gets shorter shrift. Parents and educators have not been asking, Is the district giving my school a fair share of its money? And local leaders have not asked what is purchased with that money and whether those purchases make the best use of the money. Part of the reason so much less time is spent on the spending side of the equation is a lack of visibility into how the money is spent. But that is about to change, thanks to a new provision in the Every Student Succeeds Act (see also Ary Amerikaner's article on page 15).

When school-level expenditure data are made public beginning with the 2018–19 school year, many in the system will be caught off guard. District and school leaders are largely unprepared to engage on the issues that the new data will raise: equity, spending trade-offs, and the link between money and school outcomes.¹

Most have had little training in strategic school spending and how to do the

most for students with scarce resources—a major missed opportunity. State boards of education have a chance to seize the timely opportunity that financial transparency presents to turn the tide on training of local leaders. The questions below shine a light on the pressing need to better support district and school leaders in their work on the spending side of the equation.

Who decides how to spend the country's \$650 billion for K-12 public education? In general, local school boards do. Sure, some of that money comes to districts with strings attached from state or federal sources. But the nation's roughly 14,000 local school boards typically own the fiduciary responsibility for spending the \$650 billion at play in our system. The school board hires district leaders, who receive the cash in the district bank account and then spend it to buy things like teachers, counselors, school buses, and so on. Those items then get divvied up among the district's schools according to local priorities, and the local school board approves those decisions by voting publicly on the budget each year. Some school boards

Deciding how to spend education dollars is a big job. It's time to build skills to do the job well.

by Marguerite Roza

State boards of education have a chance to make sure local leaders are well equipped to do this critical work on behalf of students.

deliberate carefully on those decisions; in other locales, board approval may amount to a rubber stamp on the district's financial documents.

But deciding how to spend the nation's education dollars is a tremendous responsibility. Sometimes those decisions go well and schools beat the odds on student outcomes. Other times, they do not, and student outcomes lag. To be sure, those spending decisions can be intentional and strategic. But they can also stem from long-standing—and largely unexamined—policies and practices.

For instance, a district might spend more on one school because it has proportionately more senior teachers, who draw higher salaries. Or a STEM program or arts magnet might receive extra staffing, making it more expensive. These spending patterns are the responsibility of the local school boards, whether they are aware of them or not.

Do local school boards compare school spending at each school with student outcomes to gauge what they are getting for their investment? To date, they have not had the school-level spending figures needed to do this. But the new trove of school-level spending data will make it possible for anyone (including school board members) to connect each school's spending and outcomes.

When some schools' outcomes trail those of their peers, local leaders should expect questions about whether the straggling schools got shortchanged when district money was doled out, whether the money was spent on the wrong things, or whether something else is amiss. But school boards and other district leaders tend to miss this critical step of connecting each school's outcomes with their district's own decisions about how much money each school got and for what.

As the new financial data make it easier to size up spending decisions against outcomes at each school, school boards can make these connections a routine part of annual budget deliberations. If they do so, these boards can use what they learn to make more strategic spending decisions.

The ESSA-required financial transparency may well put more demands on local school boards. Community, advocacy groups, and the media will likely confront them about why the budgets they approved allocated dollars

the way they did. Facing public calls for fixes in their allocation practices and policies, local boards may have to come up with some savvy allocation solutions.

State boards of education have a chance to make sure local leaders are well equipped with the knowledge and skills they need to do this critical work on behalf of students. Some state boards, like those in Texas and Georgia, have a direct hand in shaping local school board training and could ensure that this training gets district boards up to speed.

How much authority do principals have about the mix of resources they get to serve their students? Not much at all. Most big-ticket decisions happen at the district level, so those at the school level have little or no involvement. Most principals have not been included in discussions about what things cost or about how to divvy up district funds that affect their buildings directly. Through my work with principals from across the country, I have come to realize that these school leaders often do not know how much money is spent on behalf of their own students—save for their flex budgets or supply funds.

But that is another missed opportunity. Research shows principals think they could get better outcomes for their students with the dollars they have if given the chance to do so.² Principals tend to know best what their students need and what is or isn't working to meet those needs. Where that is the case, it makes sense to engage principals in how resources are deployed in their schools so they can weigh in on needed changes. We often hear the argument that principals are too busy or lack the training and skills to dive in on spending questions. But as the leaders closest to students and staff, principals are uniquely positioned to help make school-level dollars do more.

And when the new school-by-school financial data come out and thorny questions about equity and productivity start flying, principals in communities across the country are likely to be on the front lines fielding them. Here again, training is needed to make sure principals, like their school board colleagues, have the financial literacy and skills they need.

Does anyone at the district or school level—from local school boards to school

principals—get meaningful financial leadership training? Not often. I was struck at a recent panel on financial transparency when a Kentucky leader said his state was one of the few to require annual financial training for local school boards. Kentucky requires three hours of school finance training each year for local board members with three years' experience or less.³

While some state boards directly shape requirements for district school boards, a 2012 National School Boards Association analysis showed just 15 states required any finance training for school board members.⁴ And the little finance training local boards do get tends to be more about the timing of budgets and audits, compliance with federal grants, and financial conflicts of interest than about how to do the most with public dollars on behalf of students.

For district and school leaders, most training focuses on instructional leadership. Whatever finance knowledge these leaders have tends to be picked up on the job in their school systems. But they do not know what their school is spending or what to expect in return for those investments. And they have likely not been exposed to the array of strategic financial trade-offs made outside their local system or school. They have not been taught what financial metrics matter most. Nor are they likely to know how their system stacks up with peers vis-à-vis performance and spending nor what allocations can help schools do more with the dollars at hand.

States have not yet done a good job of intentionally training school board members, district leaders, and principals for financial leadership. That dearth of skill is hamstringing leaders who could otherwise be making better-informed decisions for deploying money so they can help students the most.

Will ESSA's new school-level financial data (i.e., financial transparency) be used to improve schooling? I hope so. But realizing the opportunity hinges on leaders' abilities to engage on finance. Investing in financial leadership training now seems a smart move, with school boards, district leaders, and principals across the nation soon grappling with the tough equity issues that financial data transparency can be expected to surface. A principal might be asked why she is not getting the same outcomes as a school across

town with similar per-pupil funding and demographics. Local board members, for their part, might be asked why they have given more money to one school over another.

But the most compelling argument for training is this: States should boost their district leaders' ability to use financial data to drive spending decisions because that will yield the greatest benefits for students.

Leaders need to know how to weigh spending trade-offs and model how policy and allocation decisions will affect equity and resource use. After years of fielding training requests and not finding a go-to source for strategic training, I and my colleagues incorporated these elements into the Certificate of Education Finance program at Georgetown University's McCourt School of Public Policy.

But the need for training is vast. My hope is that the effort at Georgetown can ignite similar initiatives and inform leadership and certification programs throughout the country. And the time for training is ripe, with financial transparency poised to cast an increasingly bright light on finance and spending. Perhaps leaders in states that require no financial training for school board members will think better of this oversight. Providing financial training for the very people whose job is to serve as financial stewards of \$650 billion in public education dollars is a no-brainer.

Training for district leaders and principals must go beyond compliance. Training must build their capacity to make smart, tactical decisions that wring the most from scarce dollars so that they can do the most for students. State boards of education can do their part to ensure that training requirements and certification programs are in place. Doing so will send a strong signal that the state cares as much about the spending side of the equation as it does the revenue side. ■

¹Marguerite Roza, "With New Data, School Finance Is Coming Out of the Dark Ages," EducationNext blog (April 11, 2017).

²Lawrence J. Miller and Jane S. Lee, "Policy Barriers to School Improvement: What's Real and What's Imagined?" (Seattle: Center on Reinventing Public Education, 2014).

³The Kentucky Board of Education is responsible for setting the standards and criteria for such training (702 KAR 1:115, Annual in-service training of district board members).

⁴The National School Boards Association said it does not make updated information on financial training requirements for school boards publicly available.

Leaders need to know how to weigh spending trade-offs and model how policy and allocation decisions will affect equity and resource use.

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Making ESSA's Resource Equity Provisions Meaningful

State board members can ask smart questions about the reporting of school-level spending and resource allocations.

It matters quite a lot where states and districts spend education dollars and how.¹ State policymakers who are intent on increasing educational and life outcomes for students—especially students of color and students from low-income families—must therefore pay close attention to variations in school-level spending. Those data have been hard to come by. However, the Every Student Succeeds Act (ESSA) gives state leaders two new tools: school-level spending data and resource allocation reviews.

These two unsung provisions should not get lost in the shuffle of the many new requirements and opportunities in ESSA. Implemented well, they could drive real systems change for the most vulnerable students; implemented poorly, they will become another compliance exercise. State boards of education can help make the provisions meaningful by asking smart questions of their state education agencies.

School-Level Spending Data

Under ESSA, state report cards for the first time must include data on per-pupil spending at each public school in the state. In general, advocates, parents, and researchers have little information about spending at the school level. They can get reliable data on district-level spending—which identify disturbing patterns of states shortchanging districts that serve high concentrations of students living in poverty and students of color—but prior efforts to report spending at the school level have been incomplete and inconsistent.

State education agencies are now required to report school-level information publicly. If calculated and reported properly, these data will allow

districts and state policymakers to identify funding inequities for schools serving high concentrations of vulnerable students—including those living in poverty and students of color—and can fuel efforts to eliminate those inequities. To make this requirement meaningful, board members should ask their state education agency these three questions about how they plan to calculate and report the data.

1. Will there be statewide rules that all districts must follow in calculating the financial data? With state-issued business rules for calculating and submitting financial data in place, practitioners, policymakers, and advocates can compare data from one district to another, identify and learn from districts with particularly efficient and/or equitable spending patterns, and identify districts with particularly inequitable budgets. But if certain expenditures (e.g., pensions) are included in some districts but not others, cross-district comparisons will not be possible.

2. How will central office expenditures be treated? Districts pay for many things in the central office on behalf of their individual schools. When the state reports spending at the district level, it already must include these costs, but how will states capture the central office spending in school-level data? Should the state insist that all spending on professional development, for example, be counted as a central office expenditure to ensure more comparable data? Or should the state issue a decision rule to clarify where the costs belong—for example, a rule saying that if professional development is offered in a particular school, it should be considered a “school site” expenditure, but if offered in a central

by Ary Amerikaner

Box 1. Reading a Resource Allocation Review

A good resource allocation review asks and answers the following question: Are high-need districts, schools, and students getting more or less of critical educational resources when compared with their peers?

The savvy state policymaker will look for data comparing access to the following:

- school funding
- teaching quality
- school leadership quality
- academic rigor
- instructional time and attention
- early learning and early interventions
- whole child approaches
- diverse and inclusive schools
- family academic engagement

location, it should be considered a “central office” expenditure?

States should be making plans to collect and report each school’s site-level expenditures (the dollars actually tracked to the school), its “share” of central office expenditures, and its “grand total.” Using the grand totals, stakeholders can compare across districts and types of schools—including traditional public schools and charter schools—while the site-level expenditure data allows for school-to-school comparisons within districts.

State-issued decision rules should clarify where to report all types of expenditures, while giving districts the flexibility to apply the decision rules based on how they actually spend money. For instance, the state might say that all spending on personnel or resources that are present in a school at least 70 percent of the time must be tracked as a school site expenditure rather than at the central office.

3. How will the data be reported? Reported alone, these numbers will be difficult to make heads or tails of: Parents and advocates will be left wondering “is \$7,564 per student in my school good? bad? enough?” With contextual information, readers can make meaning of spending data. That data should include, at a minimum, district- and statewide averages of

schools with varying types of student needs (e.g., percentages of students with disabilities, English language learners, and students living in poverty) and student achievement data.

Resource Allocation Reviews

As part of its provisions for school improvement, ESSA requires resource allocation reviews at the state, district, and school levels. States must review resource allocations to support school improvement in districts with a significant number of schools that have been identified for improvement. Districts with any schools identified for comprehensive improvement based on low performance for students overall must identify and address resource inequities between their schools. Finally, schools identified for improvement based on low performance for individual student groups must identify and address resource inequities within their school. To clarify how state education agencies will implement this requirement, board members should ask these six questions:

1. What educational resources will the resource allocation reviews in their state include? What to look for here is evidence of a plan to review whether students are receiving access to all educational resources, including but not limited to funding (see box 1).²

2. What is the goal when allocating resources? Equal resources for unequal need is not fair; equity is not the same as equal. States should develop goals—and expect districts to develop goals—to provide additional resources to schools and students based on their needs so that all students have equal opportunity to achieve the same outcomes.

3. What funding sources will be included in the resource allocation review? Resource allocation reviews should encompass resources from all federal, state, and local sources—including general funds and funds dedicated to school improvement activities. Reviewing school improvement funds alone will make the entire exercise ineffective, as that is only a small portion of total resources.

4. How will the state education agency ensure that its own resource allocation review is meaningful? Look for a state’s commitment to compare resources in districts with a significant number of schools identified for comprehensive support and improvement with those in other districts; to dedicate sufficient resources to the review process—where necessary, paying to collect new data or bringing on analytic expertise; to publish consistent data that tracks resource allocations over time so stakeholders can monitor progress; and to provide ongoing opportunities for stakeholders to engage with the data and in strategies to address inequities.

5. How will the state education agency ensure that districts’ resource allocation reviews are meaningful? States must show a commitment to issue clear guidance to districts on how to conduct a high-quality resource allocation review and what those reviews must entail to be approvable. They should also commit to meaningful monitoring by dedicating adequate time and money to the process and by publishing clear protocols that ask districts to produce annual data updating their resource allocation reviews and to show significant progress on implementing strategies to eliminate inequities. States ought to be providing technical assistance to districts such as support in data analysis, identification, stakeholder communication, and implementation of strategies to (re)allocate resources in order to increase investments in underresourced schools. And staff from the state education agency ought to

share district- and statewide resource allocation reviews with state board of education members and state legislators.

6. How will inequities identified in resource allocation reviews be addressed? States should explicitly identify realistic new revenue or cost-saving strategies to free up money for investing in school improvement and ensure that districts do the same to address either the largest or most important inequities identified in the review, not just funding inequities, and include a specific implementation timeline.

Now is the time to ensure that state and district leaders are taking these two new opportunities in ESSA seriously. Asking questions is an easy way to do that. For more on both of these topics, please see The Education Trust’s guides on ESSA’s new fiscal reporting requirement and resource allocation reviews.³ ■

¹C. Kirabo Jackson et al., “The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms,” *The Quarterly Journal of Economics* 131, no. 1 (2016): 157–218, <https://doi.org/10.1093/qje/qjv036>.

²Jonathan Travers, “What Is Resource Equity?” (Education Resource Strategies, 2018), <https://www.erstrategies.org/cms/files/3896-what-is-resource-equity.pdf>.

³Education Trust, “ESSA’s New Fiscal Reporting Requirement” and “Resource Allocation Reviews: A Critical Step to School Improvement,” fact sheets (Washington, DC: Education Trust, N.d.).

The state education agency ought to share district- and statewide resource allocation reviews with state board of education members and state legislators.

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How states pay their teachers, why it matters for students, and what state boards can do about it.

by Karen Hawley Miles and Nicole Katz

Teacher Salaries: A Critical Equity Issue

Quality teachers are one of the most important factors in student achievement.¹ Yet since the recession, the real value of teacher salaries (adjusted for inflation) has decreased in the majority of states.² In about half of all U.S. states, the average teacher does not even earn a living wage needed to support a family. Inadequate compensation has predictable consequences for attracting and retaining the skilled professionals so crucial to student outcomes—especially in schools and subjects that are

hard to staff. The strikes and protests that erupted last spring in West Virginia, Kentucky, Oklahoma, Arizona, and Colorado are visible manifestations of this troubling reality.

At the heart of the teacher salary issue are growing funding inequities among the states. Some states may need to invest more in education to raise baseline levels. But it will not be enough just to throw more money at the problem—states also need to take a thoughtful look at how well and how equitably all resources are

allocated. When teachers are compensated fairly and strategically and when they are supported in their growth as professionals, students have a better chance to succeed.

Funding Trends over the Last 50 Years

From 1969–70 until 2014–15 (the most recent year of data available), the *national* average of inflation-adjusted per-pupil spending increased by more than 140 percent. But the recession of 2008 marked a watershed event where funding patterns across the states diverged: In more than 30 states, inflation-adjusted per-pupil K-12 funding actually decreased. In more than 20 states, this funding dropped 5 percent or more, and it fell 10 percent or more in five states.³

Throughout the years of spending growth and even after the recession, relatively few dollars went toward real salary increases for teachers.⁴ Although student enrollment increased by about five million students between 1969–70 and 2014–15, staffing levels outpaced that trend, reducing both pupil-to-staff and pupil-to-teacher ratios. The number of staff per student increased by over 70 percent and the number of teachers per student by nearly 40 percent.⁵ Meanwhile, average inflation-adjusted teacher salaries grew only 7 percent since 1970 and have remained mostly flat since the 1990s—with a crucial dip after the recession.

The decline in inflation-adjusted per-pupil funding since 2008 has hit some states harder than others. The states in the bottom quartile of K-12 funding in 2009–10 saw the greatest losses in total spending (adjusted for inflation). In contrast, average per-pupil revenue in the highest funded states increased over that period, widening the funding gap between “have” and “have-not” states.

There is also a correlation between states that reduced education funding and states with a decline in inflation-adjusted teacher salaries. Real teacher salaries declined in 40 states between the 2009–10 and 2014–15 school years—by 5 percent or more in 24 states. As figure 1 demonstrates, the states that cut per-pupil funding tend to be the same ones where the real value of teacher salaries declined.

Low Salaries and Teacher Shortages

Are today’s teacher salaries enough to attract and retain a high-quality workforce? Some data suggest not. Several recent studies, accounting for factors such as hours worked, gender, and race, conclude that teacher salaries today are 14 to 25 percent lower than those for other professions available to college graduates.⁶ One study by the Economic Policy Institute found that this gap has grown over time: Teachers in 1998 earned about 8 percent less than professionals with similar education and experience. By 2015, teachers underearned their peers by 17 percent.⁷

At the same time, districts across the country are facing significant teacher shortages. Virtually all states report shortages in numerous subject areas—including in elementary education, where there historically have been more than enough qualified applicants.⁸ The pipeline of teacher applicants is also drying up, judging by the sharp decline in the number of U.S. college students enrolling in teacher certification programs—from 684,000 in 2011 to 419,000 in 2015.⁹ The number of long-term crisis substitutes, emergency or provisionally certified teacher hires, and unfilled vacant positions in schools has dramatically risen over the past several years, particularly in low-income and rural communities.¹⁰

The depth of the salary gap appears most dramatically when the average teacher salary in each state is compared with a living wage metric that was created at Penn State and is maintained by Amy Glasmeier at the Massachusetts Institute of Technology (MIT). The MIT researchers calculate the living wage as the minimum income needed to cover basic expenses (including food, child care, medical costs, housing, transportation, and a miscellaneous “other”) based on local costs and across a variety of family structures.¹¹ To get a sense of the value of a teacher’s salary, we looked at MIT’s living wage for one- and two-parent households with a single salary earner and one to three children and created a weighted average to account for the prevalence of different family types. We call this metric a “family living wage.”¹²

In about half of all states, the average teacher salary is less than the family living wage (figure

By 2015, teachers underearned their peers by 17 percent.

Figure 1. Relationship between the change in per pupil funding and change in average teacher salaries, from 2009–10 to 2014–15



Source: ERS analysis using data from NCES Table 211.50. Estimated average annual salary of teachers in public elementary and secondary schools: Selected years, 1959–60 through 2015–16; NCES Elementary and Secondary Information System <http://nces.ed.gov/ccd/elsi/>, Revenue per pupil by source 1987–88 through 2013–14; NCES Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2014–15 (Fiscal Year 2015); NCES Table 106.70. Gross domestic product price index, Consumer Price Index, education price indexes, and federal budget composite deflator: Selected years, 1919 through 2015.

States with the greatest gap between salaries and a family living wage showed the most significant signs of an unhealthy labor market for teachers.

2). This aligns with other research findings. For example, the Center for American Progress found that in 35 states, teachers with 10 years of experience or more who head families of four would qualify for multiple public assistance programs to make ends meet.¹³ Colorado has the greatest gap, with the average teacher salary 25 percent less than the family living wage (which translates to about \$12,000 below, adjusted for geography), whereas in Massachusetts, the average teacher salary is already 25 percent above the family living wage (nearly \$18,000 above, adjusted for geography). Those states highlighted in orange and red have experienced a recent decline in real inflation-adjusted per-pupil funding (from 2009–10 to 2014–15) of greater than 5 percent (orange) or greater than 10 percent (red). Notably, most of the states with salaries below the family living

wage are the same ones that cut education funding after the recession.

Lower Pay, Greater Hiring Challenges

Not surprisingly, states with the greatest gap between salaries and a family living wage showed the most significant signs of an unhealthy labor market for teachers. Those with salary levels more than 15 percent below the family living wage exhibited the following characteristics, compared with states that pay teachers more than 10 percent above the living wage:¹⁴

- about two and a half times the number of shortages in subjects and grades that should be easier to staff, like elementary school or English language arts (2.3 versus 0.9);
- an average teacher turnover rate of 16.6

percent, 54 percent higher than in states with average teacher salaries of more than 10 percent above the living wage; and

- more than twice the percentage of uncertified teachers (2.3 percent versus 1.1 percent) and a more than 50 percent higher rate of novice teachers (14 percent versus 9.1 percent).

The majority of states where teachers earn less than the living wage are also most likely to have lower K-12 spending as a percentage of state GDP.

Yet all states show signs of labor market problems, since even states where teacher salaries are above the family living wage pay on average only 9 percent above.

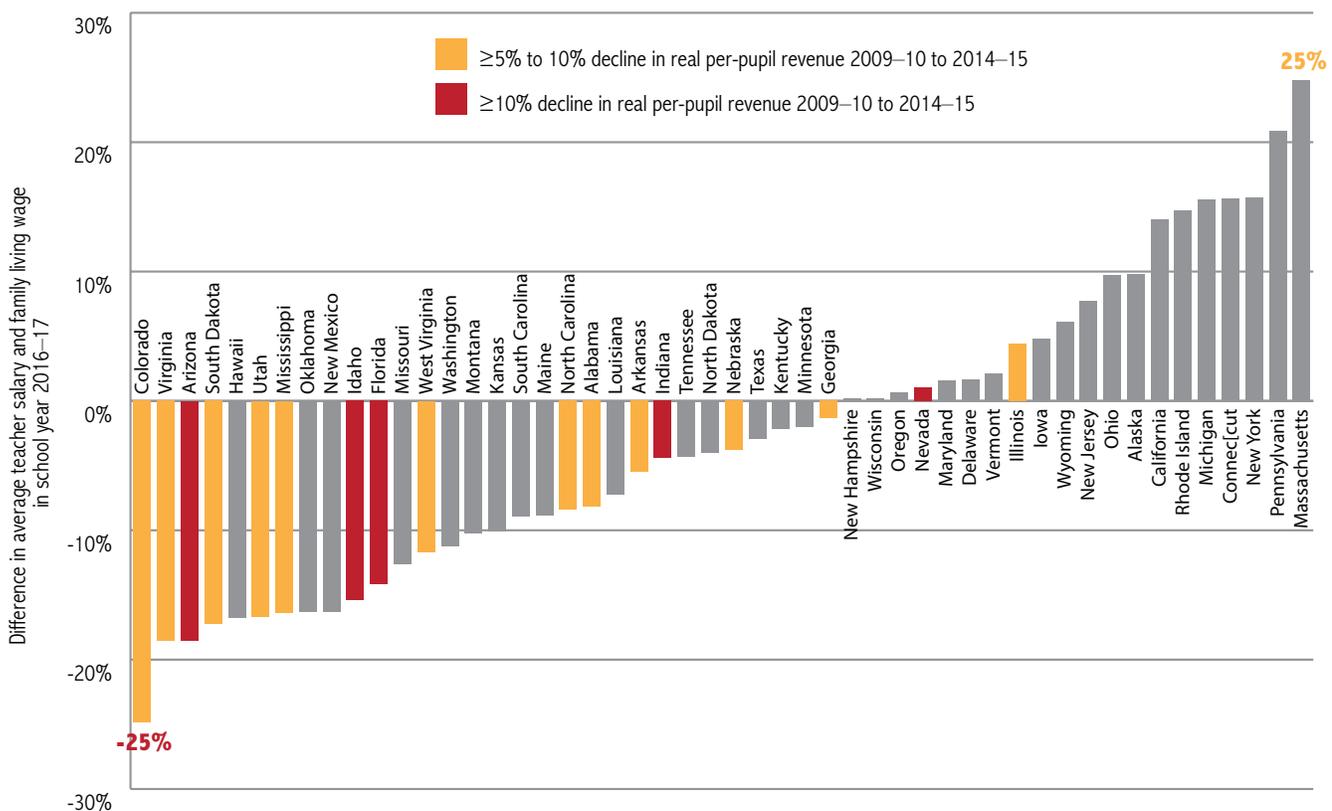
New Approaches for Salary Equity

In their role as advocates for educational quality and equity, state boards of education can help guide state agency policymakers and legislators toward funding strategies that address the problem of stagnating teacher salaries. They can call attention to the need for improving the entire value proposition for teachers—salary, benefits, and working conditions—rather than merely putting more money into existing structures. State boards’ efforts to set high standards for teachers will be for naught if highly skilled individuals do not want to enter the teaching profession in the first place.

As a first step, state boards can start the

Efforts to set high standards for teachers will be for naught if highly skilled individuals do not want to enter the teaching profession.

Figure 2. Gap between the average teacher salary and the family living wage in each state, 2016–17



Source: ERS analysis using data from NCES Table 211.60. Estimated average annual salary of teachers in public elementary and secondary schools, by state: Selected years, 1969–70 through 2016–17; MIT Living Wage Calculator <http://livingwage.mit.edu/>; NCES Elementary and Secondary Information System <http://nces.ed.gov/ccd/elsi/>, Revenue per pupil by source 1987–88 through 2013–14; NCES Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2014–15 (Fiscal Year 2015); NCES Table 106.70. Gross domestic product price index, Consumer Price Index, education price indexes, and federal budget composite deflator: Selected years, 1919 through 2015.

policy conversation by seeking answers to the following key questions:

1. Where does my state rank in terms of overall funding levels?
2. Are average teacher salaries in my state below a living wage? How big is the gap?
3. Does my state have any policies in place to ensure that districts with the highest concentrations of student need have the necessary resources to attract and retain high-quality teachers?
4. Does my state invest in pilots or otherwise encourage new ways of organizing schools to professionalize teaching? What about new forms of teacher career paths or compensation structures?

Innovative approaches for increasing teacher salaries to maximize impact on student performance can include the following:

1. Invest new revenue in teacher salaries benchmarked against comparable professions rather than staff increases. As spending rises with GDP growth, states and districts can raise teacher salaries to keep pace with benchmarks from comparable professions instead of adding services and staff. This would mark a strategic shift. Over time, teacher salaries should rise relative to inflation.

2. Rethink teacher compensation structures. For example, “frontloading” teacher compensation and linking salaries to teachers’ roles, responsibilities, and contributions. This strategy could include increasing starting salaries, shifting raises to earlier in a teacher’s career, reducing the number of step increases but increasing their size, and shifting to defined contribution [such as 403(b)] retirement plans that vest more quickly—whichever makes sense depending on the market context and the existing salary structure. In addition, states and districts can expand the role of high-performing teachers and reward those who take on greater challenges with stipends and leadership opportunities. These strategies could help attract and retain young teachers by helping them achieve a family living wage earlier in their careers.

3. Link salary reform to other key initiatives to improve teaching and learning. As states

invest to close the salary gap between teachers and other professions open to college graduates, they can tie salary increases to other important reform initiatives, such as extending the school day or year and increasing time for teacher professional learning and collaboration.

Resource Equity

To provide an excellent education to all students, states must not only ensure funding adequacy, they must also pay attention to resource equity—how people, time, and money are allocated to create learning experiences that enable all students to succeed.

In states struggling to attract and retain high-quality teachers, state boards of education can advocate for improving the “value proposition” of becoming and staying a teacher, particularly for the least experienced teachers, who have the highest turnover. Within states, some districts may have a harder time than others in attracting and keeping great teachers, especially those serving high concentrations of student need, which often have lower funding levels. Creating this strong value proposition will require redesigning schools—organizing people, time, and money differently.

The current unhealthy state of the labor market for teachers is a challenge that must be met. But it is also an opportunity to modernize the teaching profession and to adopt practices that foster innovation and lead to more effective use of all K-12 resources. Supporting teachers as the professionals they are is a critical step that will lead the way to achieving student performance goals. ■

¹Jonah E. Rockoff, “The Impact of Individual Teachers on Student Achievement: Evidence from Panel Data,” *American Economic Review* 94, no. 2 (2004): 247–52; Steven Rivkin, et al., “Teachers, Schools, and Academic Achievement,” *Econometrica* 73, no. 2 (2005): 417–58; Thomas J. Kane and Douglas O. Staiger, “Estimating Teacher Impacts on Student Achievement: An Experimental Evaluation,” National Bureau of Economic Research Working Paper no. 14607 (Cambridge, MA: NBER, 2008), doi: 10.3386/w14607.

²Using data from the National Center for Education Statistics, table 211.50, “Estimated Average Annual Salary of Teachers in Public Elementary and Secondary Schools: Selected Years, 1959–60 through 2015–16.” See also Karen Hawley Miles et al., “Low Teacher Salaries 101: How We Got Here, Why It Matters, and How States and School Systems Can Pay Teachers More Fairly and Strategically” (Watertown, MA: Education Resource Strategies, June 2018).

³Ibid.

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Karen Hawley Miles is the CEO and president of Education Resource Strategies, a nonprofit that partners with district, school, and state leaders to transform how they organize people, time, and money so that every school prepares every child for tomorrow, no matter their race or income. Nicole Katz is a principal associate at ERS. This article is adapted from “Low Teacher Salaries 101: How We Got Here, Why It Matters, and How States and School Systems Can Pay Teachers More Fairly and Strategically” (Watertown, MA: Education Resource Strategies, June 2018), which can be accessed at https://www.erstrategies.org/tap/low_teacher_salaries_101.



The Advantages of Student-Driven Funding

In an environment of increasingly diverse classrooms and evolving pedagogical techniques, it becomes increasingly difficult for teachers and administrators to know how to best support students, especially those with high needs. At the state level, education funding policies have been forced into similar renovation, impelled by everything from virtual learning to schools of choice to shifting student demographics.

There are clear advantages to funding education as California is doing—in a student-driven way, with a base level of money provided for each child and additional dollars allocated for those with greater needs. For one thing, the

calculation that determines a district's funding is clear and transparent, allowing parents and the community to hold the state and district accountable for resource equity at the student level.

The system is also flexible. By funding the student rather than inputs, the state allows districts to offer whatever programs, classroom arrangements, and supports they deem best for their students. This model of funding is also more responsive to innovations in pedagogy and changes in educational best practices, because schools are free to use their dollars to employ new, more effective methods. In contrast, funding that is tied to programs may tie down districts

California's experience shows that a shift in how states evaluate outcomes accompanies the districts' flexibility in funding.

by Rebecca Sibia

California chucked a formula heavily weighted with spending restrictions to one in which almost all dollars are allocated based on the students in a given district and their needs.

to doing things as they have always been done rather than what is best for children.

Yet there are still states that fund public education based on a shopping list of resource inputs. In Delaware and Tennessee, for example, dollars generated for staff salaries and benefits must be used only for those purposes and in ways specified by law. In Wisconsin, the vast majority of the state's support for education is allocated through narrow programs, tying funding up and weighing districts down with restrictions.

California moved away from this burdensome system in 2013 when the legislature passed the Local Control Funding Formula (LCFF), a student-based funding model. Facing a 23 percent jump in the number of English language learners and a 19 percent increase in low-income students between 2000 and 2010, the state decided that it had to target more money to needy students. California chucked a formula heavily weighted with spending restrictions (over 60 limited-use program and grant allocations) to one in which almost all dollars are allocated based on the students in a given district and their needs. LCFF went into effect in the 2013–14 school year. The formula focuses on English learners, foster youth, and children from low-income households.

This kind of change requires a significant shift in how districts and schools think about their work. Will administrators effectively reimagine the delivery of services for vulnerable students? Will they act in good faith toward teachers and staff if they are suddenly freed from prior restrictions? And perhaps the most high-stakes question: Will they use the money wisely, in the best interest of students?

There is legitimate cause for such concerns. In 2008–09, California school districts were given added flexibility in how they could spend funds received through 40 specified programs. But an evaluation of the effort based on surveys of district chief financial officers found negligible impact.¹ Most districts took at least half of their newly flexible dollars and simply moved them into the district general fund to shore up the budget—not only in 94 percent of fiscally unhealthy districts but in 64 percent of districts in good fiscal health as well. And the district central office handled most of the decisions about what to do with the funding, with 90

percent of CFOs surveyed reporting that teachers, parents, and community members had little influence on decision making. Clearly, districts did not use their flexibility to innovate or to be responsive to community needs.

It is therefore no surprise that, as California passed its new funding formula and made broad investment in needy students, the state wanted to make sure that districts were using the money to support those students in effective ways. The state requires each district to create a Local Control and Accountability Plan (LCAP) to explain how it plans to use its education dollars, including how its goals align with state priorities and how those goals are advanced by particular funded initiatives that translate into measurable actions. Importantly, the LCAP specifically asks how the district intends to increase or improve services for disadvantaged students.

As a former CFO myself, I am aware of the challenges in creating this kind of plan. Money is fungible, and budgets can and do change—often from week to week. But the act of budgeting with disadvantaged students in mind is in itself powerful. It requires more intentional planning for good investment. And the LCAP process—which asks districts to consult with school-level administrators, teachers, parents, and students—creates the opportunity to better close the gaps between groups of stakeholders and to ensure that dollars translate into meaningful classroom-level experiences.

LCAP has not been without controversy, and in some cases, rightfully so. The first plan templates were long and complicated. The level of required input from the broader school community can create conflict, with various groups at loggerheads as they promote different goals. Additionally, with every district and every county board of education required to develop an LCAP, there can be many layers of bureaucratic planning.

These kinks notwithstanding, the LCAP process adds something of real value to California's education funding system. One of the reasons that the education advocacy group EdBuild supports student-based funding is that it can increase accountability at all levels of the system. When legislators increase or decrease the formula factor that drives funding for a particular student group, administrators can

readily understand that change. Teachers can translate the formula into expected funding for their classrooms using a simple Excel spreadsheet and can demand more from their administrators when local decisions fall short of what the formula calls for. Finance officials can forecast budgets easily based on enrollment and demographic trends. All of this enables stakeholders to understand and compare the funding that students receive and to demand equitable, efficient resourcing of schools.

State Board's Role

The California State Board of Education plays an important role in LCFF's implementation and ongoing evaluation. The board has developed an accountability system known as the California School Dashboard, which measures district progress against state-collected data. The system directly aligns with the theory behind the formula through its "equity reports," which measure academic and nonacademic outcomes for at-risk students (like suspension rates and chronic absenteeism). The state board can then continually evaluate whether funding levels for these at-risk students are adequate to meet annual goals that the state has set.

In other words, LCAP brings accountability to the next level by empowering the state board to consider and evaluate alignment between funding and planned priorities and programs. In exchange, the district commits to and can be held accountable for using its transparent, flexible funding well in support of the students who need it the most.

State boards should always listen to district leaders' feedback in evaluating whether they are striking the right balance between accountability and empowerment. A recent survey of California superintendents revealed widespread support for LCFF among leaders throughout the state.

The survey did flag work left to do. District leaders have ongoing concerns, most focused on having more flexibility to use funds available for at-risk students for general education purposes. Superintendents also said that the state's dashboard fails to provide timely information.² Such feedback can help state boards be consistently thoughtful and responsive and should inform any proposals for an overhaul

as significant and comprehensive as a new funding system.

LCAP reminds all of us who work in education of our duty to be thoughtful about how to best provide an equal start for all children. LCFF took a big step forward with its additional support for disadvantaged students, and LCAP asks counties, districts, and communities to show their commitment to live up to the formula's promise.

Importantly, LCFF and LCAP align very well with new federal requirements under the Every Student Succeeds Act (ESSA), which requires school districts to account for their spending on a per pupil basis. Because California's new student-based funding and budgeting formula aligns with ESSA requirements, the transition is far easier than for states with inputs-based funding structures. Thus ESSA provides an incentive to states to make the transition to a true weighted student formula like LCFF. Equally important, state boards should consider how state spending plans and reporting requirements align with their students' needs.

Planning processes are challenging, and dealing with a diverse, opinionated public may seem far beyond the usual purview of the CFO. But budgets are the clearest distillation of priorities. District officials, teachers and principals, parents, community members, and CFOs need to live those priorities. The LCAP sets the expectation that the efforts of all individuals in the education ecosystem align with the priorities that the state sets and that funding follows those goals. The state board then plays a considerable role in reviewing the implementation of myriad programs across the state through detailed spending plans and reports but focuses their role in holding districts accountable for spending and outcomes.

LCAP brings the most important goals to the forefront of the budget conversation, and that can only be a good thing. ■

¹Brian M. Stecher et al., "Deregulating School Aid in California: How Districts Responded to Flexibility in Tier 3 Categorical Funds in 2010–2011," report (Santa Monica, CA: Rand Corporation, 2012).

²Julie A. Marsh and Julia E. Koppich, "Superintendents Speak: Implementing the Local Control Funding Formula" (Stanford, CA: Local Control Funding Formula Research Collaborative, Stanford Graduate School of Education, 2018), http://www.edpolicyinca.org/sites/default/files/LCFF_Superintendents_Survey.pdf.

LCAP brings accountability to the next level by empowering the state board to consider and evaluate alignment between funding and planned priorities and programs.

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State boards can help remove barriers to cross-system coordination of early learning and K-12.

**by Judy Reidt-Parker
and Margie Wallen**

Layering Funding for Quality ECE

Science consistently shows that the early years, starting from birth, represent a critical period during which the foundations for future development are built. Like a new building, setting either a strong or fragile foundation determines

what follows. Infants, toddlers, and preschool age children who have consistent, positive early learning experiences tend to go on to complete more years of school, have higher paying jobs, and live longer, healthier lives.¹ In recognition of

the critical nature of early education to success in school and later life, states have increased investment in public pre-K, early intervention, and child mental health. Local communities have increased their focus on early childhood as well, often with the school district as the lead of efforts to bolster the community's early childhood system.

However, current federal and state policy and investments in young children are not keeping pace with what research says about brain development and what children need to become healthy, productive adults. One of the most significant ways to address this problem is to encourage stronger alignment and coordination across the early childhood and K-12 systems. To that end, many districts are partnering with early childhood providers or are providing early childhood services themselves. A school district's entry into the early childhood field can be fraught with challenges, however, and school leaders may not understand the complexities of their state and local systems and how K-12 and early education systems differ in their design and funding structures.

In many states, districts are required to conduct community assessments and build relationships with local providers before launching any new programming. The Illinois School Boards Association, in partnership with the early education advocacy group Ounce of Prevention, developed a guide for districts to support their work with the early childhood system.² Maine, Pennsylvania, Minnesota, and Georgia have likewise developed guides to help districts partner effectively with community providers, including how best to manage the coordination of the multiple funding streams that are needed to provide a high-quality, full-day, full-year early childhood program.³

Challenges of the Early Childhood System

The early childhood field is often described as fragmented and poorly coordinated. Indeed, its boundaries are fuzzy—and that ambiguity at the perimeter ends up correlating to more uncertainty in the middle. Federal and state policies reinforce that uncertainty by failing to account for the full range of child needs. Instead, funding programs are set up for

discrete purposes that sometimes overlap and often leave gaps in coverage.

The field of early childhood clearly includes birth to five years, but there is not consensus about whether that is its full extent. In many instances, early childhood is defined as birth through age 8. Different programs, supports, and services are implemented and designed based on one of those concepts, but designs can vary across or even within states and communities.⁴

Federal and state early childhood programs reflect a distinct mix of policy priorities. Children need high-quality early learning experiences to improve their long-term educational outcomes, and low-income children experience large school readiness gains only when they have consistent access to responsive teachers and caregivers in high-quality early learning environments. Their families need child care arrangements that meet parents and caregivers' need to work, which can be particularly challenging for low-income families working full time (and often in multiple jobs).

Because no single federal, state, or local funding source adequately addresses both of these needs, some individual early care and education programs have sought to combine existing funding streams through blending and braiding funds (see box 1). For programs to deliver high-quality, comprehensive, full-workday, full-year early education, they must maximize public- and private-sector investments by using funds from two or more funding streams—such as Early Head Start, Head Start, the Child Care Development Fund (also called child care assistance, scholarship, or subsidy), state prekindergarten (pre-K), and state infant-toddler (0–3) programs.

The lack of coordination at the federal and state level creates numerous challenges. From the program perspective, there are high administrative costs to managing all the different and sometimes competing demands of the various funding sources. This level of administrative attention requires a program scale that is rare for most early childhood providers and results in local systems of uneven quality. For families, the lack of coordination fosters disparate participation requirements that may restrict hours of service and frequent, burdensome requirements

Some individual early care and education programs have sought to combine existing funding streams through blending and braiding funds.

Box 1. Blending and Braiding at the Program Level

At the local level, when funds are *blended*, funds from two or more separate funding sources are wrapped together within one full-workday, full-year program budget to pay for a unified set of program services to a group of children. In blending, costs are not necessarily allocated and tracked by individual funding source. When funds are *braided*, two or more funding sources are coordinated to support the total cost of services to individual children, but revenues are allocated and expenditures tracked by categorical funding source. In braiding, cost allocation methods are required to ensure that there is no duplicate funding of service costs and that each funding source is charged its fair share of program and administrative costs.

Source: Margie Wallen and Angela Hubbard, "Blending and Braiding Early Childhood Program Funding Streams Toolkit: Enhancing Financing for High Quality Early Learning Programs" (Chicago: The Ounce of Prevention Fund, 2013).

No one funding source can cover all the costs of meeting the programming needs of a given child and family, particularly a working family.

to prove eligibility. Both contribute to inconsistent programming for children, contravening what children need for long-term academic and social success, particularly those who live in challenging, stressful situations.

At the federal level, recent efforts to address this fragmentation include revised eligibility and provider payment rules for the Child Care and Development Block Grant, known as the Child Care and Development Fund (CCDF) at the state level.⁵ The new rules make braiding and blending funds at the local level less complicated. The rules document also includes guidance that is recommended but not required for ensuring that families with child care subsidies can access high-quality care without disruption. Recent funding from Early Head Start focused on increasing partnerships with child care programs, and this promises to foster better coordination in the early childhood system.

Despite these federal changes, challenges remain at the state and local level. In order for these changes to take hold at the local level, state and local policymakers and administrators need to change their approach to implementing early childhood systems and ensure that the providers in local communities have the capacity to respond to the changes.

The federal government and states can make it easier for programs to braid and blend funding, but they often choose not to do so. The reasons for this are multiple and often caught up in

the mistaken view that braiding and blending constitutes "double dipping"—that is, taking multiple funding for a single slot or child enrolled. Yet the way early childhood funding is structured, no one funding source can cover all the costs of meeting the programming needs of a given child and family, particularly a working family.

Successful braiding and blending requires attention at the state, community, and program level that is often absent. States that have developed implementation guides, such as Maine and Pennsylvania, provide districts and community partners with models for cost allocations and financial reporting. These guides support braiding and blending of funds when the state administration that oversees particular funding streams has approved it.

K-12 Role in the Early Childhood System

A cohesive local early childhood system and alignment at the state level between these early childhood and K-12 systems are well worth the trouble. The K-12 system can choose from a variety of approaches, or a combination of them:

- directly operate early childhood programs;
- partner with community-based providers that demonstrate quality standards to implement pre-K programming;
- offer in-kind supports, such as space, transportation, or medical services to

community-based providers that may not have ready access to them;

- seek consensus with local service providers on quality requirements that are connected to shared definitions of kindergarten readiness and learning standards;
- invite early learning providers to participate in professional development opportunities on understanding kindergarten expectations, inform elementary teachers on early learning instructional approaches, and smooth the transition from early learning to early elementary; and
- partner with Head Start and other community providers to develop transition practices guided by the district's legal responsibility in transition planning for students with special needs.⁶

All of these efforts must be initiated in such a way that community early childhood providers feel respected and included in program planning and design.

State boards of education can take a leadership role in recommending policies and guidance that support these district efforts, focused on successful implementation of state pre-K programs. They can also ensure that the pre-K system is aligned with the state's implementation of CCDF, encourage shared professional development opportunities between K-12 and the early childhood systems, and improve the continuity for families when transitioning into kindergarten and/or first grade. In addition to supporting the braiding and blending of funds at the program level, state boards can promote the inclusion of early childhood providers in professional development and kindergarten/first grade transition activities.

Pre-K Implementation. State boards should review statutes that regulate public pre-K funding and make sure they are structured in a way that will facilitate successful community collaboration and encourage districts to provide early childhood services.

- Does the funding allow grants to districts for start-up resources to ensure pre-K classrooms are equipped with developmentally appropriate furniture and materials?
- Is the district allowed to use the funding for

sub-grants or contracts with local providers to provide pre-K services?

- Is there a requirement that the pre-K funding be appropriately distributed to the programs and services for pre-K children and families and not applied to other district costs?

Many states that have public pre-K funding provide implementation guides for local school districts. Often, districts are seeking ways to meet the needs of working parents and need to be able to braid or blend pre-K funding with child care subsidies and/or Head Start funding. This approach can include partnership with community providers or be managed by the district internally. State boards should plan to review those guides and ask the following:

- Do the implementation rules support partnership with local early childhood providers?
- Are the reporting requirements flexible enough to allow for braiding or blending of funds?
- Is there an expectation that school districts participate in the local early childhood system rather than provide separate, siloed services?

Alignment with CCDF. The way the state chooses to implement CCDF—the child care subsidy program—most strongly influences the capacity for braiding and blending funds. In addition to being a subsidy for parents to access child care, CCDF in most states is the only funding for child care licensing and professional development for all early childhood providers.

Successful braiding and blending of funds at the local level is highly dependent on the state's implementation of the child care system. Some states define participation in Head Start or Early Head Start as work, for example, to eliminate the eligibility challenges for families and ensure continuity of services. States can take a similar approach in support of children living in challenging situations. States make many policy decisions within broad parameters that affect access, quality, and the supply of child care:

- definitions of parental work, education, and training;
- family income eligibility;
- processes for determining eligibility and authorizing the hours of care for payment;

Because the funding source for early childhood professional development is CCDF, state boards can review the state CCDF plan to determine the state's priorities for professional development.

- priority for categorical eligibility, such as very low-income families, children with special needs, children experiencing homelessness, children in the child welfare system, and other groups; and
- provider payment rates and payment policies.

The implementation of these decisions is described in a state's CCDF plan, akin to its plan for implementing the Every Student Succeeds Act. In California, Florida, Louisiana, Michigan, and Oregon, the state board of education is directly involved in developing the CCDF plan. There must be a set percentage of matching local/state dollars in order to access the federal funds. Plans are submitted to the federal government for review and approval every three years. There is a required public comment period, which is an opportunity for a state board to submit a letter addressing how well or poorly the plan aligns with the pre-K system. The review of the plan can focus on the following:

- Is the income eligibility process simple and uncomplicated for working families to complete?
- Do the eligibility rules truly ensure 12-month eligibility?
- Are children who are living in challenging situations categorically eligible for the subsidy?
- Do the payment policies and procedures support braiding and blending, such as paying for a slot in the program rather than by attendance hours and allowing for teacher planning time?
- Are the payment rates sufficient for the cost of quality programs?

Shared Professional Development. Districts can make a significant contribution to strengthening the local early childhood system by coordinating professional development opportunities and including community providers in these efforts. Through collaborative partnership and support for the cost of participation for community providers, district-driven professional development can build relationships that smooth transitions into the elementary years and help early education providers better understand kindergarten standards.

Creating systems of inclusive professional development can also have benefits for early elementary teachers. Understanding the instructional tools used by early education and child care programs that their students attend can give them better insight into their students' previous experiences. Building a community of professionals responsible for ushering a child through the educational continuum augments the support a child receives through transitions, community-based teachers' access to professional supports, and elementary school teachers' community of learning.

At the state level, boards of education can encourage policies that allow for cross-system professional development. Because the funding source for early childhood professional development is CCDF, state boards can review the state CCDF plan to determine the state's priorities for professional development. Often, it focuses on basic health and safety and structural components of quality in an early childhood classroom rather than on curriculum design and implementation, instructional support, and other elements of process quality. Typically, there is insufficient funding for that type of professional development.

State boards can gain information from districts as to any barriers to collaborative professional development at the local and state level and find ways to encourage the use of state ESSA funds to support collaborative approaches. States can ask the following of districts in the context of the ESSA plan and encourage the same approach in state-level professional development investments:

- Are parents and local early childhood providers included in professional development activities funded by Title I?
- Are local early childhood providers included in teacher effectiveness initiatives or devising instructional supports that address the needs of children in preschool through second grade (Title II funds)?
- Does the district engage in shared professional development activities with the local Head Start grantee, particularly focused on transitioning to kindergarten?

Transitions to Kindergarten/First Grade. All well-designed, quality early learning programs

have focused, well-implemented plans for children transitioning into and out of each program and system. School districts can be intentional about making these transitions as uncomplicated and supportive of children's development and academic growth as possible. Head Start regulations require formal agreements with school districts for transitioning children into kindergarten. The regulations reflect best practices for transitioning children and families into and out of the program and can serve as a model for state boards. State boards can hold districts similarly accountable, requiring that the ESSA plan include a clearly articulated approach to including early childhood providers in transition activities. The National Head Start Association and the Council of Chief State School Officers have developed a toolkit to help school districts meet the ESSA requirements for partnering with Head Start and other early childhood education providers.⁷

Conclusion

Current federal, state, and local policy and levels of investment in young children are not keeping pace with available information about brain development and what children need to become healthy, productive adults. The funding structures for early childhood are insufficient, and the reporting requirements can seem byzantine. As the public becomes more attuned to the importance of early childhood education, however, there is opportunity to do better. While many local communities have been working to overcome system disconnects for many years, state-level engagement now can facilitate the braiding and blending of funds that will better meet the needs of families at the local level.

One of the most significant ways to address this problem is to encourage stronger alignment and coordination across the early childhood and K-12 systems. State boards have a critical role to play in supporting, aligning, and overseeing early learning programs. By participating in public hearings and processes as states implement early childhood systems and provide professional development and by providing guidance and support for districts in defining their role in local early childhood systems, state board members can improve outcomes for children and families. Supporting policies that

make it easier for community providers and school districts to collaborate and share funding resources will also be a key activity for state board members who understand the benefits in long-term outcomes for children from strengthening services and supports across the early childhood spectrum. ■

¹Institute of Medicine, *From Neurons to Neighborhoods: The Science of Early Childhood Development* (Washington, DC: The National Academies Press, 2000), <https://doi.org/10.17226/9824>.

²Roger Eddy and Elliot Regenstein, "Early Learning User's Guide for Illinois School Boards" (Chicago: Ounce of Prevention and Illinois Association of School Boards, N.d.), <https://www.theounce.org/wp-content/uploads/2017/03/IASB-Ounce-EL-Users-Guide-full.pdf>.

³Maine's Interagency Funding Collaboration Taskforce, "Funding Collaboration Guide for Early Care and Education Partnerships in Maine" (August 2006), https://www.maine.gov/dhhs/ocfs/ec/occhs/funding_guide.pdf; Minnesota Department of Education, "Voluntary Pre-Kindergarten Implementation Guidance" (fall 2016); Pennsylvania Department of Education, Pennsylvania Pre-K Counts Statute, Regulations and Guidelines, effective July 1, 2018, http://www.pakeys.org/wp-content/uploads/2018/02/ADA_2018PKC-Regulations-and-Guidance.pdf; Georgia Department of Early Care and Learning, Georgia's Pre-K Program 2018–2019 School Year Pre-K Providers' Operating Guidelines, effective July 1, 2018, <http://dec.al.gov/documents/attachments/Guidelines.pdf>.

⁴In its work in promoting policy coherence and workforce development throughout the early childhood system, NASBE has embraced the birth through age 8 continuum. See, e.g., Winona Hao, "Advancing the Early Learning Workforce through State Policies," *Policy Update* 23, no. 25 (Alexandria, VA: NASBE, December 2016). For the purpose of this article, the early childhood system is defined as birth to age 5. However, the concepts and recommendations within this article are all aimed at closing the gap between two systems that serve children during their early years of development.

⁵The CCDF is authorized under the Child Care and Development Block Grant Act. Enacted in 1996, the act consolidated three federal child care programs serving low-income families under the program formerly known as Aid to Families with Dependent Children. Congress reauthorized the act in 2014. This block grant is the primary funding source for child care and the professional learning systems for birth to age 5 early childhood providers.

⁶Eddy and Regenstein, "Early Learning Users Guide."

⁷National Head Start Association and Council of Chief State School Officers, "New Early Childhood Coordination Requirements in the Every Student Succeeds Act (ESSA): A Toolkit for State and Local Educational Agencies, Head Start Programs, and the Early Childhood Field" (Alexandria, VA, and Washington, DC: NHTA and CCSSO, 2017), <https://www.nhsa.org/files/resources/toolkit-new-early-childhood-coordination-requirements-in-the-essa.pdf>.

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The NASBE Interview

Jim Porter is chairman of the Kansas State Board of Education, and Jim McNiece is member and immediate past chairman of the Kansas State Board of Education. NASBE President and CEO Kris Amundson interviewed them by phone in July, the week after the Kansas Supreme Court handed down its sixth and most recent ruling on Gannon v. the State of Kansas, dealing with the plaintiffs' claim that the state's education budget was not adequate and equitable.

For the third time in two years, the Kansas Supreme Court ruled that the state's spending on public schools is inadequate. How has the Kansas State Board of Education been a part of this conversation about school funding?

Jim McNiece: We are different from other states in that we have a lot more authority as it relates to the Constitution. Article 6, Section 1 of the Kansas Constitution basically divides our powers and establishes a system for public schools. The legislature is supposed to come up with the money, and the state board is [responsible] for general supervision of the public schools. You can't do one without the other. We come up with the idea; they're supposed to come up with financing.

We have "self-executing powers" as a result of our Constitution. When that was put in there in the late 1960s, it was almost immediately challenged by the legislature. I don't exactly remember who challenged it, but in the early 1970s, and then again later on in the early '80s I think, the Kansas Supreme Court said no, the Constitution gives the state board these powers to act independently of the legislature. We have our duties; they have theirs.

But again, you can't do it without standards, and you can't do it without money. We've been fighting the courts for years. In fact, the change in the Constitution goes back to the very beginning. In 1966, we changed from over 2,000 school districts to a little over 300. The state board before then was appointed, and the commissioner

was elected. We reversed that, where the board then was given the independent opportunity to be elected in a partisan election. Their job was to hire a superintendent or commissioner. We worked independently of the legislature and the governor. That doesn't happen in many states. I think there are only six states that actually work the way we do.

We have jurisdiction, and they have jurisdiction. The governor does not have a lot of say in this, when it comes down to it. We've never sued the legislature or the state; it's come from local school districts. It started in the early '90s and continues on. I can't list every court date. But it comes down to adequacy and equity. Interestingly, the courts were given information in a Taylor study [a cost study performed by Dr. Lori Taylor of Texas A&M University], which is the one that the legislature wanted for themselves to say that they were giving enough money, and the Taylor study said no. But the court chose not to use that study. That study actually uses state board goals and vision [as expressed in the initiative] Kansans Can to come up with the amount of money [that would meet the equity and adequacy bar].

The state board has been asked by the legislature to recommend a base state aid per pupil amount. What process did you go through to determine whether it would be adequate?

Jim Porter: We are required every [two] years to present a budget for the

Department of Education in Kansas to the governor for his budget consideration. It is our responsibility to do that. We came up with a number that has been decided by the court and decided by several people in the discussion. When we had to make that recommendation a while ago, there was an active appellate court decision, and we used the calculations in it. Then we calculated inflation over that period.

We looked very seriously because we assumed that the court would at least look at our numbers. We felt that, for [the sake of] excellence in education, we had to come up with a number we believed actually was adequate, and we used as our basis two calculations: one was determined by the appellate court, and second, applied inflation numbers.

McNiece: We have to come up with not just [a recommendation for] general state aid but how much for special education, how much for parents and teachers, mentor training programs, professional development, and in the classrooms. There's—I don't know—19 or 20 [budget] lines. We voted on each individually and then came up with a total number. We chose deliberately—or I chose as the board chair—to put the numbers out there with explanation but to put the numbers out there that challenged the court and the legislature and the governor. We didn't back off and say, "Well, golly, we don't have a say in this." We had a say, and we said our piece. Money makes a difference.

What are the biggest obstacles to adequate and equitable funding in Kansas? How does your state board navigate what could be a pretty contentious, political conversation?

Porter: Because of decisions made by the administration about tax policy, they in fact did not have money. That has been corrected. So crying "poverty" is no longer an issue. I think that our revenue for last month was about \$307 million above estimates.

Now with the [economic] recovery, and based on decisions the last legislature made in tax policy, that's an obstacle that can no longer be used. However, there are people in the legislative branch that have bought into the issue and that are not friends of public education, and they are obstacles. One of the things that I believe is

extremely important is to try our best to build relationships not only with our friends and supporters but with those that are not so that we can work together.

Ninety percent of the kids in Kansas go to public school. Another 4 or 5 percent go to private schools that are accredited by us. Most of the kids in Kansas are influenced by the decisions made by the state board of education, and 90 percent of the kids in Kansas are funded through public education.

McNiece: Two questions continue to come up, and these questions are not unique to Kansas—they are universal. Does money matter? Number one, if you spend more money, will you get better results? Number two, are we spending the dollars appropriately and efficiently? Are we spending them in the right place, and are we using them efficiently as public entities in terms of our responsibilities as citizens? Those two questions are huge. As to number one: We believe money matters, and so does the court, in terms of saying we need to do more for the kids who are not doing well, be they low income, be they kids of color, be they of handicapping conditions. Whatever the reason, we have a percentage of students who are not doing well, and it takes more money to help them. Then, are we spending money appropriately and efficiently? We were validated by the Taylor report. One of their findings was that Kansas was one of the most efficient states in the Union in spending money and that our system—from the state department through the districts—used the money efficiently and appropriately. That was huge.

[The Taylor study] was paid for by the legislature, and they wanted Dr. Taylor and WestEd to determine—and this is my terms—the lowest amount they can spend on education and meet the adequacy and equity standards. The startling fact is that they came out and said how efficient our school systems were. That has been the [framing of the] issue: that we waste money, and money doesn't matter anyway. Those two issues were directly refuted by this study.

The courts chose not to use the study, because the study was based on Kansans Can and the things that we want to do to make Kansas better. And the state, in their last decision, said they're not going to use the Taylor report.

One of the things that I believe is extremely important is to try our best to build relationships not only with our friends and supporters but with those that are not so that we can work together.

Instead of fighting over dollars and cents, we have taken a position of leadership in terms of school quality and educational outcomes and stuck with our moonshot.

Porter: [The legislature] actually commissioned three reports over that period, and each of them has indicated that more money was needed. But I want to go back to the statement about efficiency [in the Taylor study], and this is a paraphrase: The report [authors] said they had never seen a state that was as efficient as Kansas.

McNiece: When it comes down to it, the court said, “There’s really no debate about money matters.” They chose to go to what is called the *Montoy v. Kansas* level of funding from a prior court case. I’ve asked [Commissioner of Education] Randy Watson and [Deputy Commissioner] Dale Dennis how much money that really means and if they have to adjust it for inflation. How much money is that, and how close is it to the amount of money we recommended two years ago?

What do you think it’s going to take to get to a place where the state supreme court is no longer the prime decider in school funding in Kansas?

Porter: I have a very simple answer for that: Adequately and equitably fund education. I believe if the legislature will follow the mandate given to them by the Supreme Court now, they would address the issues because it also has the cost of living increase built into it, and [if they do so] I believe we’re there. Now there are those that want to change the Constitution. Some people that do not support public education want to actually change the Constitution to change the terms [under which] the legislators are responsible for suitably funding education and allow the legislature to identify and define suitability. That does not have a lot of weight, but it comes up all the time.

McNiece: I’m going to answer your question in a little different way. One of the things that we’ve done through this contentious period is that we have come forth with a bold vision of what education should be in the states. We have talked more about that than school finance. We stayed in our backyard. We just keep talking about what it takes for the state to meet its vision for Kansans Can. I think that’s really important. Instead of fighting over dollars and cents, we have taken a position of leadership in terms of

school quality and educational outcomes and stuck with our moonshot. That’s changed a lot of legislators and had an impact on the last election. I just can’t help but think that not trying to get down in there and fight them about money but fight them about quality—or should I say, take the lead on quality—has been one of the determining factors of success in our state.

Porter: We have consistently said it was our responsibility to make a recommendation, the legislature’s responsibility to appropriate the funds, and the court’s responsibility to interpret the law. We did our job, and we have been very careful not to criticize—as the board or as individuals—anybody else. We stayed bona fide because we believe that’s the leadership position we should have taken. And it has paid off.

In Kansas, as you mentioned, state board members are elected. How do you think this would have played out if the board had been appointed?

McNiece: I can only speculate. The two factors that we have is that we’re elected officials, just as they are, and second, we have a specific constitutional responsibility that is indeed more than what other states have. We’re not beholden to the governor or the legislator in any way. It works well if we partner on stuff and talk and work together. But we don’t have to rely on each other for each other’s election.

Porter: Regardless of how you got there, it’s your responsibility as a member of the state board of education to advocate for public education. We’re in the unique position that we are not beholden to the governor, but I believe that regardless of how you got [on your state board], it is your responsibility to advocate for public education, and you need to have the fortitude to do it. I don’t know that it would make a difference to me how I got there, but I may be the anomaly. We all stay connected to our constituents. Most of us do a lot in our individual areas. And there is a great deal of support—as a matter of fact, overwhelming support—for the vision that the state board of education has developed. That helps us be even bolder in our support for the kids in Kansas.

What can other state boards learn from your experience?

Porter: Develop a vision that is bold—that takes the responsibility for moving each child into the middle of the 21st century. Keep that vision in mind for all your decision making.

McNiece: Two things I'd add: We have worked very hard as a board—Jim especially and others—to have open-minded communication and build relationships, and that has served us well. But we've also been realistic in our expectations. By the way, the relationship isn't just with the legislature, it's with groups that sometimes we don't always agree with: It's the teacher's union, the school boards association, the administrators, the local boards. Having a really good commissioner of education helps, too. He's smart, he's personable, and he's got a vision of where he wants to take us. He is trusted by the legislature and the governor, and that makes a big difference. I think we're trusted overall by both, but it's a different kind of trust. We're not over here saying we know the answer. We're saying we've got part of the answer, and you've got part of the answer, and we've got to work together.

Porter: A real advantage that we have is not only being elected, but we choose the commissioner. We have a vision that requires us—in this case, that's not a problem at all—to work together toward a common vision. In some cases, if the board is appointed by somebody else and the chief is elected, they could be diametrically opposed philosophically and have a difficult working relationship. Our arrangement is very important to us properly working together. It doesn't mean we agree all the time on some issues. We did not join hands and sing Kumbaya. Another thing I think is important is that even though we have some philosophical differences, we like each other.

McNiece: I'm going to throw a little kick-in for NASBE here: Most of our board members have gone through New Member Orientation, and that helps them be better board members. We adhere to "take a vote, make a decision, don't hold a grudge." Move onto the next. You win some, some you don't. Getting along is important. We certainly have differences on our board, but we don't let those differences get in the way of doing the right thing and being good board members.

Porter: That's something we sometimes forget. The training that we got, the resources we have available—both in person and in substance and data—they help us in these instances. Every state has to figure this out for themselves, within their constitutions and their political realities.

We have more challenges awaiting us, but the House will be all elected this year, the governor will be new, other leaders will be new. There are no Supreme Court justices up for approval, but there is a push immediately by a leadership faction to bring a constitutional amendment that would basically disqualify the courts from making any kind of ruling about finance. But you can't win a game by changing officials. ■

cont'd from page 22...Teachers Salaries: A Critical Equity Issue

⁴NCES, table 211.60, "Estimated Average Annual Salary of Teachers in Public Elementary and Secondary Schools, by State: Selected Years, 1969–70 through 2015–16."

⁵Using data from NCES, table 213.10, "Staff Employed in Public Elementary and Secondary School Systems, by Type of Assignment: Selected Years, 1949–50 through Fall 2015"; NCES, table 208.20, "Public and Private Elementary and Secondary Teachers, Enrollment, Pupil/Teacher Ratios, and New Teacher Hires: Selected Years, Fall 1955 through Fall 2025"; and NCES, table 211.50.

⁶Sylvia A. Allegretto and Lawrence Mishel, "The Teacher Pay Gap Is Wider Than Ever," report (Washington, DC: Economic Policy Institute, August 9, 2016). A note from the report on their methodology reads, "Regression-adjusted estimates include controls for age (quartic), education, race/ethnicity, geographical region, marital status, and gender for the pooled sample. Data are for workers age 18–64 with positive wages (excluding self-employed workers). Non-imputed data are not available for 1994 and 1995; data points for these years have been extrapolated and are represented by dotted lines."

⁷Ibid.

⁸U.S. Department of Education, Office of Postsecondary Education, "Teacher Shortage Areas Nationwide Listing, 1990–1991 through 2017–18" (2017).

⁹Lee Hale, "Behind the Shortage of Special Education Teachers: Long Hours, Crushing Paperwork," National Public Radio, November 9, 2015.

¹⁰NCES, table 211.50.

¹¹Amy K. Glasmeier and the Massachusetts Institute of Technology, "MIT Living Wage Calculator," MIT, 2018, <http://livingwage.mit.edu/>.

¹²For a full description of our methodology, see Miles et al., "Low Teacher Salaries 101."

¹³Ulrich Boser and Chelsea Straus, "Mid- and Late-Career Teachers Struggle with Paltry Incomes" (Washington, DC: Center for American Progress, July 23, 2014).

¹⁴Using data from NCES, table 211.60; Glasmeier and MIT, "Living Wage Calculator"; U.S. Department of Education, "Teacher Shortage Areas"; "A Coming Crisis in Teaching? Teacher Supply, Demand, and Shortages in the U.S." (Palo Alto, CA: Learning Policy Institute, 2016). We consider typically easy-to-staff fields to be elementary education, early childhood, the arts, English language arts, and social studies/humanities.

from the President's Pen

A Time-Tested Formula for Policy Impact

During NASBE's 60th anniversary year, we have been reviewing how state boards of education influence policy. Case in point: the story of how NASBE helped state boards deal with a health crisis that initially did not even have a name.

In 1981, the Centers for Disease Control noted that 328 people contracted a disease that they identified as possibly a strain of pneumonia. By 1989, more than 100,000 people were reported to be infected with a disease that by then was known as AIDS.

Some of those infected were students and teachers, and there were no protocols and no consensus on what schools should do. So when Ryan White contracted AIDS from a blood transfusion, school officials were unwilling to allow him to return to class. The state eventually intervened, but the case put a human face on a problem schools were addressing alone.

State boards struggled to find ways to help schools and districts. Unsurprisingly, they turned to NASBE, which had a decade of experience on school health policy and had identified board leaders and experts in crafting science-based school health policy.

NASBE met with Surgeon General C. Everett Koop to discuss how schools should respond, and NASBE and the American Medical Association co-sponsored a meeting to explore potential community responses. NASBE surveyed state boards to determine what policies and procedures were in place. Executive Director Phyllis Blaunstein reported that, while states were taking action, "some of the more difficult issues [were] not being addressed."

Under a CDC grant, NASBE published *Effective AIDS Education: A Policymaker's Guide*, to encourage states to develop a comprehensive approach and ask tough questions: Should AIDS

education be mandated or recommended? What grade levels should receive instruction? How should schools address the concerns of parents who objected to AIDS instruction?

Many questions that applied to other curriculum standards applied here, the guide said. Who was qualified to teach AIDS education? How would they be trained and evaluated?

States and local districts were encouraged to convene parents and experts as they developed local plans. The publication also recommended working with agencies such as health departments.

Finally, NASBE launched a public information campaign. In 1989, NASBE President Connie Hubbell testified to Congress that state boards "are in a unique position to build a consensus among parties seeking to have an impact on issues and policies on issues of AIDS."

NASBE also released *Someone at School Has AIDS*, a guide to developing policy on AIDS at schools. UNESCO praised it as "an example of good practice both within the United States and internationally," noting that it "served to guide the efforts of education authorities involved in HIV/AIDS policy development in many states and countries of the world."

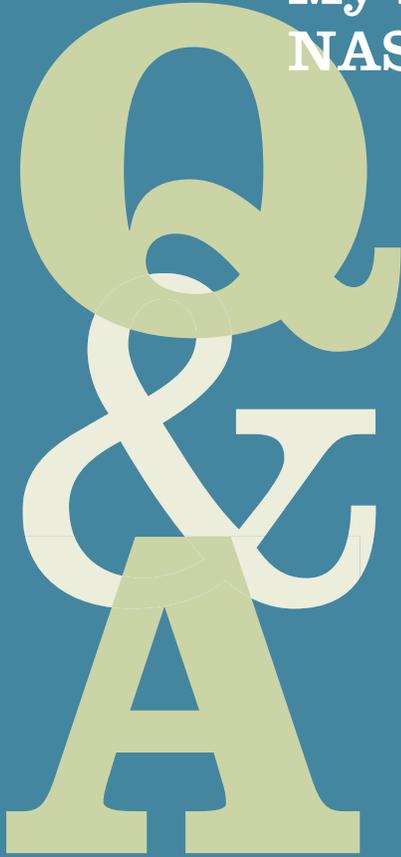
Today, 33 states mandate HIV education. The Americans with Disabilities Act would eventually extend protections to students with HIV/AIDS. But for states that had followed NASBE's recommendations, this change codified policies already in place.

Asking questions, convening experts and concerned parties, and developing policy based on research—sound familiar? Successful boards take the same approach today. Issues may change, but leadership practices remain the same. They are still how state boards exercise their place as the citizen voice in education. ■



Kristen Amundson
President/CEO

My state board of education is a NASBE member. So what do I get?



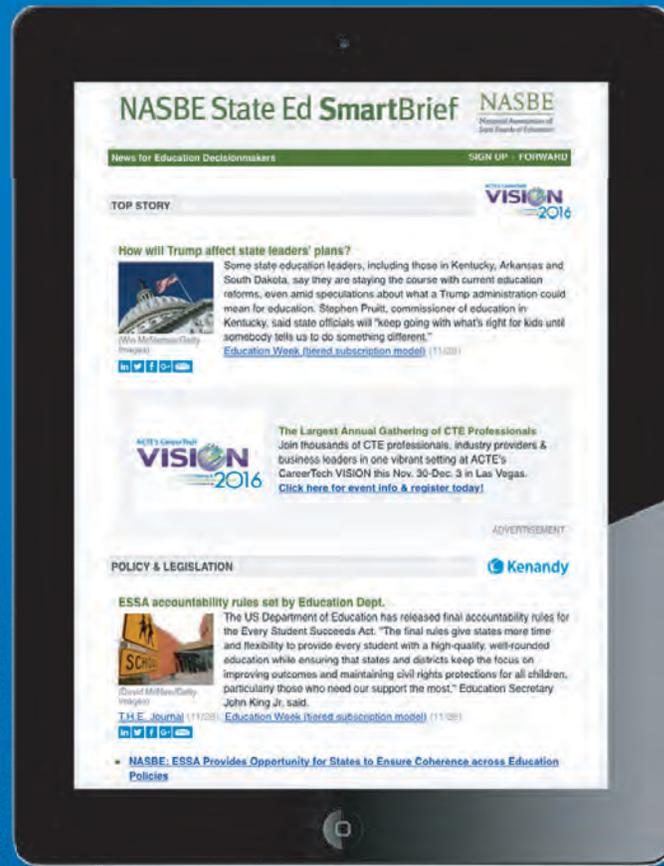
- **NATIONAL MEETINGS:** Annual Conference, Legislative Conference, New State Board Member Institute
- **REGIONAL MEETINGS**, such as ones held in St. Louis on standards-based leadership and in Pittsburgh on science standards
- **CONVENINGS** of states that receive competitive NASBE grants
- **NASBE STAFF VISITS** tailored to the needs of specific state boards: on standards-based leadership, school climate, leadership development, board governance issues, strategic planning, and more
- **CONNECTIONS WITH EXPERTS** through publications such as the State Education Standard, webinars, e-newsletters, conference calls, and face-to-face meetings
- **NATIONAL VOICE** on federal education matters before the administration, Congress, and the US Department of Education
- **OPPORTUNITIES TO SERVE** on association committees and NASBE's board

“With the passage of ESSA, it is important that state boards of education remain engaged in fully understanding the changing federal landscape and in advocating for an implementation to that new federal law that does right by all of our students across this diverse country.”

—Jay Barth, Arkansas State Board of Education

Be NASBE. Be engaged.

Contact Kristen Amundson, NASBE's President/CEO, with membership questions at kristen.amundson@nasbe.org
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