



# Campaign for Fiscal Equity, Inc.

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**Before the  
Committee on Health, Education, Labor, and Pensions  
United States Senate**

**Hearing:  
“America's Schools: Providing Equal Opportunity  
or Still Separate and Unequal?”  
Thursday, May 23, 2002**

Good morning, Mr. Chairman and members of the committee. I am Michael A. Rebell, the Executive Director of the Campaign for Fiscal Equity, Inc., an education finance reform advocacy organization in New York. I am also an adjunct professor and lecturer in education law at Columbia University. I would like to thank you for the opportunity to testify before the committee regarding the pervasive and devastating inequities in educational opportunity faced by millions of low-income and minority students in our nation's public schools, and the clear links between increased educational equity and higher student achievement.

The Campaign for Fiscal Equity is litigating *CFE v. State of New York*, a constitutional challenge to New York State's education finance system. In a landmark decision in January 2001, the trial court ruled that New York's current system of funding schools unconstitutionally denies hundreds of thousands of public school children – mostly low-income, minority students in New York City and other impoverished urban and rural districts elsewhere in the state – of their right to the opportunity for a sound basic education. The court concluded that the inequitable school finance system in New York was depriving the state's neediest students of critical educational resources, including qualified teachers, adequate school facilities, appropriate class sizes, and up-to-date instructional materials and technology.

CFE also operates the ACCESS Education Network, a national network of attorneys, policy makers, researchers, educators, and advocates that monitors school funding reform litigation and advocacy efforts across the country. The project operates a website, [www.ACCESSednetwork.org](http://www.ACCESSednetwork.org), that has up-to-date information on the history and status of education finance litigations and reform efforts in all 50 states.

In my testimony today, I will first provide a national overview of educational inequities, and the detrimental impact of inadequate resources – both in funding and services – on the educational outcomes of low-income students. Next, I will describe the extensive body of research that has unequivocally concluded that equity in education funding improves educational outcomes, and that money does matter in educating all of our children to be successful, productive citizens. Finally, I will lay out, in broad terms, the role that Congress can take in achieving greater funding and resource equity in every state.

## **OVERVIEW OF EDUCATIONAL INEQUITIES**

### **School Funding Disparities**

Through inequitable and inadequate funding, our states and the federal government have, for decades, consistently left behind millions of low-income, rural, and urban school children as their wealthier peers take full advantage of the educational resources and opportunities that are made available only to them. While qualified and experienced educators, modern school facilities that are conducive to teaching and learning, and basic instructional materials like up-to-date textbooks and science labs are taken for granted by suburban children and their families, in countless examples across the country, children in rural and urban school districts – disproportionately from low-income, non-white families – can count on none of these to be provided to them in their years in public schools.

In 2001, the National Center for Education Statistics released statistics that confirm that children who go to public schools in central cities in the United States – by and large the country's most socioeconomically disadvantaged students – attend schools that, on average, have lower per pupil expenditures than non-urban schools. In the 1996-97 school year, per pupil expenditures in urban schools were below both the national average and the average of non-metropolitan public schools, when adjusted using the geographic Cost of Education Index (CEI). The public schools with the lowest poverty levels (less than 5% of the student population below the poverty level) had the highest per-pupil spending levels.

In Pennsylvania, for example, the funding of Philadelphia's school district generates per pupil expenditures below the state average and far below the surrounding suburban districts, making it difficult for Philadelphia to compete in the market for qualified teachers, especially since Philadelphia has the state's highest cost of living. In New York City, despite the fact that the city faces the highest regional costs in the state of New York and has one of the highest concentrations of at-risk students, per pupil expenditures in New York City public schools are below the state average and significantly lower than the average in the surrounding suburban counties. In recent years, New York City has spent nearly \$1500 less per pupil than the state average, and at least \$4,000 less than the average in the nearby suburbs, even though those districts have very low concentrations of at-risk students. In 1998-99 (the most recent year for which data is available), New York City spent \$9,623 per pupil, while in nearby Long Island suburbs, Great Neck spent \$17,640 per pupil and Port Jefferson spent \$21,613 per pupil. In Westchester County, the average per pupil spending was \$13,651, with per pupil expenditures in one district exceeding \$19,000 per year.

Furthermore, during the 1990's, most increases in public elementary and secondary expenditures went to students in non-urban schools. Between 1991-92 and 1996-97, per pupil spending in central city schools remained essentially flat, with an increase (in constant 1996-97 dollars) of only \$45, or less than 1%, over that five-year period. In contrast, per pupil spending in schools outside metropolitan areas increased over 9% over the same period. (NCES 2001)

In sum, in contrast to basic principles of democracy and equal educational opportunity, the stark reality in the United States today is that children with the greatest needs are actually given the least resources. The United States is the only major developed country in the world that exhibits this shameful pattern of educational inequity.

What is the cause of these extensive patterns of educational inequity? Much of it surely is the continuing legacy of the dual school systems that in many states had relegated African-American students to separate, grossly under-funded school systems before the United States Supreme Court outlawed school segregation in *Brown v. Board of Education*. But the problem extends beyond racial segregation. Millions of low-income and rural students also are denied equal educational opportunities, by a system of education finance that relies on local property assessments and local property taxes to fund most educational expenditures.

Residents of low-income school districts around the country, both urban and rural, typically tax themselves at much higher rates than residents of wealthier districts. Because of lower property values and reduced home-ownership in poorer areas, however, the greater tax effort in these communities produces significantly lower revenues. Lower income communities – invariably those with the highest spending needs for education and other important services – simply cannot fund public education at adequate levels; they require state and federal funding to provide students in these communities with comparable educational opportunities.

Ironically, this inequitable pattern of educational funding has its roots in one of the most notable attributes of the American education system – namely, local control of education. Although local governance remains a viable and significant vehicle for civic participation and commitment to education, the 19<sup>th</sup> century property-based funding system that continues to accompany it is an unnecessary and unacceptable anachronism in the 21<sup>st</sup> century. Just as virtually all of the states, with federal encouragement, have established state-wide academic standards to ensure that all students are educated in accordance with contemporary needs, all of the states, with federal encouragement, should ensure that adequate resources are in place to ensure that students in every school district have a fair opportunity to meet those standards. Statewide standards for funding adequacy, like state-wide standards for academic

performance, need not conflict with continued adherence to the American tradition of local control of education. On the contrary, fair funding will, in fact, empower many poor school districts, especially in urban and rural areas, and allow them to actually take control of their educational destinies.

### **Funding Inequities are a National Problem**

The basic pattern of severe financing inequities has for decades impeded educational opportunities for low-income children throughout the United States. Almost thirty years ago, at a time when civil rights advocates were realizing that the promise of *Brown v. Board of Education* could not be achieved without remedying the huge resource deficiencies in the schools most minority students attended, this issue was brought before the United States Supreme Court. This 1973 litigation, *San Antonio Independent School District v. Rodriguez*, starkly illustrated the basic pattern of funding inequities: per capita spending for the largely Latino students of the Edgewood, Texas school district was exactly half the amount spent on the largely Anglo students in the neighboring Alamo Heights school district (even after federal Title I funding was taken into account) -- even though the Edgewood residents had assessed themselves a 25% higher tax rate. The United States Supreme Court acknowledged and decried this pattern of inequity, but because the court held that education is not a "fundamental interest" under the federal constitution, it denied plaintiffs any relief. Since most state constitutions do consider education to be a "fundamental interest" and/or contain specific provisions that guarantee students a right to an adequate education, reformers turned to the state courts. In what has probably been the most extensive area of state constitutional activity in American history, since *Rodriguez* there have been litigations challenging inequities in state education finance systems in 43 of the 50 states.

Overall, plaintiffs have prevailed in a majority of these litigations, especially in recent years. Indeed, since 1989, when the standards-based reform movement began to provide state court judges with "judicially manageable" tools for remedying the patterns of funding inequities, plaintiffs have prevailed in about two-thirds of these litigations. Thus, in states like Arizona, Kentucky, New Jersey, Texas, Vermont and Wyoming, extensive successful reforms have been implemented as a result of plaintiff successes in these litigations. In places like New Hampshire and Ohio, plaintiffs won major victories from the courts, but battles are still raging about the nature of the remedies that need to be put into place. In other states like Illinois, Pennsylvania, Rhode Island, and Virginia the cases were dismissed and the inequitable funding structures remain largely in place. The difficulty of achieving successful reforms at the state level is illustrated by the fact that in some states, like California and Connecticut, where plaintiffs won initial victories a number of years ago, problems persist and new litigations were commenced years after the initial cases had been terminated. Moreover, in other states like New York, North Carolina, and South Carolina, where the defendants had prevailed in the 1980's, plaintiffs who brought new cases in the 1990's have succeeded in getting the courts to reconsider the issues.

In sum, while state courts have effectively remedied persistent inequities in a number of states, from a national perspective the complex and uneven nature of state-level education funding reform remains highly unsatisfactory. Millions of students in a majority of states continue to be denied the type of educational opportunities contemplated by the NCLB Act and in most of these jurisdictions neither the legislative nor judicial branches are acting to correct flawed financing systems. Clearly, persistent and egregious inequities in basic educational funding are a national problem that are inconsistent with the aims of the NCLB – and inconsistent with the effective functioning of our democratic society. Justice Powell's decision for the majority in *Rodriguez* acknowledged that "The electoral process, if reality is to conform to the democratic ideal, depends on an informed electorate: a voter cannot cast his ballot intelligently unless his reading skills and thought processes have been adequately developed."

Because no claim was made in *Rodriguez* that any child was receiving less than the minimum amount of education necessary to attain this level of skills, the Supreme Court did not further consider the issue of whether the exercise of civic responsibilities under the First Amendment to the federal constitution would require some level of adequate educational opportunity. The standards-based reform movement and the NCLB Act have, however, now highlighted the issue of adequacy, and have demonstrated that there are feasible methods for assessing whether children are in fact receiving an adequate education and the importance of their doing so. Clearly, then, ensuring that all students are in fact provided the opportunity for a basic, adequate education has become a national issue, of which Congress must take note.

## **Inequitable and Inadequate Resources**

### *Teachers*

Qualified and experienced teachers – the most important resource in our public schools – are in shortest supply in schools that serve our neediest children. School districts with low teacher salaries cannot recruit and retain qualified teachers, losing the best-qualified candidates to wealthier school districts that can pay higher salaries or to better-paying jobs in other sectors of the economy. Courts in several states have ruled that inequitable outcomes of public school students are strongly linked to high proportions of unqualified teachers – measured in terms of lack of appropriate certifications, poor undergraduate preparation, low performance on teacher certification exams, and high teacher turnover – in low-income urban and rural school districts.

In Arkansas, for instance, a court recently found that “...disparity...in teachers’ salaries...are so great that they work to destabilize the education system by driving qualified teachers away from districts where they are most needed. Schools and school districts with more disadvantaged students need more qualified teachers per student. However, the schools with the highest number of disadvantaged students are typically the schools which have the lower teacher salaries.” For example, 94% of the students in the small rural Lake View School District in Arkansas are eligible for free or reduced-price lunches. According to the court, “Lake View provides an example of the limitations of a poor school district. . . .Lake View has one uncertified mathematics teacher for all high school mathematics courses. The teacher is paid \$10,000 a year as a substitute teacher which he supplements with \$5,000 annually for school bus driving...In his geometry class he does not have compasses. Only one of four chalkboards is usable. His computer lacks hard- and software...and the printer does not work. Paper is in short supply and the duplicating machine, an addressograph, is generally overworked so that frequently documents, including examinations, have to be handwritten on the chalkboard.” For Lake View students who do move on to college, “the college remediation rate is 100%” because of the grossly inadequate instruction and curriculum available to them in high school.

Within New York State as a whole, according to the New York State Board of Regents, African American and Latino students are taught by the least qualified and most inexperienced teachers. Seventy-three percent of all minority public school students in New York State are enrolled in New York City public schools. New York City provides a classic example of the least-qualified teachers being put to work in the most challenging conditions in public schools in the state. The court in 2001 in *CFE v. State* found that 13.7% of New York City’s public school teachers were uncertified, compared with only 3.3% of those in the rest of the state. The Court also took note of a study which indicated that 31.1% of teachers newly employed in New York City had failed the basic liberal arts state certification test at least once, compared with 4.7% in the rest of the state, and that 42.4% of the math teachers currently teaching in New York City’s public schools had failed the math content test for certification at least once.

The cause of this is no surprise. Salaries in the surrounding suburbs are 20-36% higher than those paid in the city, according to figures cited by the court. The result of this, year after year, is the same, as New York City and other low-wealth urban and rural districts face a chronic teacher shortage and are forced to fill thousands of slots with uncertified and under qualified candidates. The *New York Times* reported just last week that for the 2001-2002 school year, only 27% of the 7,405 new teachers hired by the New York City public schools possessed traditional certification. Another 23% possessed the less-stringent alternative certification, but a full *half* of all new teachers hired this year possessed no certification at all and many of them lacked requisite course work or had failed the state certification exams.

In North Carolina, the trial court in *Leandro v. State* recently found that the criteria needed to provide at-risk students with the equal opportunity to obtain a sound basic education are: effective, competent, and motivated principals; high quality teachers who teach in their fields of expertise, safe and orderly school environments; high expectations of teachers and students; ongoing professional development for teachers; and smaller classes in early grades for at-risk children. The court cited the North Carolina Commission on Raising Achievement and Closing Gaps (the "Bridges Commission"), which concluded: "Most policymakers, parents, educators, and researchers now generally agree that nothing is more closely tied to student achievement and underachievement than the preparation, support and quality of classroom teachers. It follows then, that nothing is more critical to our efforts to close the achievement gap than making certain that every student, especially those who have been traditionally underserved by public schools, has access to competent, caring, qualified teachers in schools organized for success."

### *Facilities*

At-risk students are too often subjected to substandard school facilities that, at the minimum, hinder teaching and learning, and at worst, pose clear threats to their health and safety. The complaint in *Williams v. State*, a current class-action lawsuit in California filed on behalf of the state's disadvantaged school children, presents a sobering body of evidence concerning the conditions under which low-income and minority children currently attend school in California.

In San Francisco, Oakland, Fresno, Los Angeles, and elsewhere, schools are "infested with vermin and roaches," have unstaffed and rarely updated libraries, lack computers in the classrooms, and conduct classes in rooms too small for the actual large class sizes and in spaces altogether unsuitable for instruction, such as open library spaces, gymnasiums, auditoriums, or poorly partitioned classrooms. For example, in Mark Keppel High School in Alhambra, the school's 2,100 students must share a single science lab, meaning that many science classes forgo lab work altogether. In Stonehurst Elementary School in Oakland, a class of students meet permanently on the auditorium stage; from 9 to 1:30 every Tuesday and Thursday their teacher must compete against music lessons that occur simultaneously in the same auditorium space. The racial inequities in the case are clear: whereas 59% of all California public school students are students of color, 96.4% of the population of the plaintiffs' schools is non-white.

In Ohio, low-income students in both urban and rural districts are schooled in equally unacceptable facilities. Students in Cleveland, Youngstown, and other urban districts attend schools that are overcrowded and dilapidated, with insufficient funds for maintenance and major roof and window leaks causing on-going degradation. In the *DeRolph v. State of Ohio* school finance case, plaintiffs presented numerous examples that highlight the school facility problems in that state. At the intermediate and high schools in Coal Grove, Ohio, there are no art or music rooms. The intermediate school has no science labs, and one shower room serves both boys and girls. One of the high school's science labs has no running water or gas. In the town's elementary school, temperatures often exceed 100 degrees at the beginning and

end of the school year; if more than three teachers run fans at the same time, however, the school's circuit breaker fails. In Mt. Gilead, some students are being educated in former coal bins and in Flushing, students as recently as the early 1990's had to use outhouses.

Compare these conditions to facilities at prosperous Granville High School 100 miles from Coal Grove, which has five language labs with cordless headsets, a greenhouse between two biology rooms, state-of-the-art classrooms and technology for industrial arts and computer-assisted design, art facilities with separate rooms for kilns and sculpture, carpeted locker rooms with individual showers and installed hair dryers, a library with rooms for group study, and dark room and television production facilities.

The disparities in facilities between school districts in Ohio are rooted in tremendous funding inequities. In 1999-2000, Cuyahoga Heights, a wealthy Cleveland suburb, received \$16,447 per student in state and local funds. Tri-Valley Local, a low-wealth rural school, received just \$4,532 per student. This pattern is mirrored by countless other examples across the state. Some of the most egregious facilities problems in Ohio have since been addressed through the Ohio School Facilities Commission, established in 1997 in response to the Ohio Supreme Court's decision in favor of plaintiffs in the school funding litigation, but all sides agree that billions of dollars more are needed, in Ohio alone.

These examples, however, are not limited to Ohio and California, but are indeed representative of a pervasive national problem, with countless other similar examples of unacceptable school facilities in school districts in every state.

### **Impact of Inadequate Resources on Student Achievement**

One crystal-clear conclusion reached by policy researchers, courts, and state governments around the country is that inequitable and inadequate education funding has a direct and damaging impact on the educational achievement of low-income, non-white children. In the United States, poverty and race are inextricably linked: in the late 1990's, roughly 35% of black and Latino children were living in poverty, compared with about 15% of white children. (U.S. Census Bureau, 1998A).

Most recently, in Maryland, the state Commission on Education Finance, Equity, and Excellence completed a study of the state's public school funding in January 2002. The Commission found a strong and consistent correlation between a school's percentage of students eligible for free or reduced-price lunch and the school's test scores. The Commission concluded that schools educating low-income students need more resources to be able to improve outcomes for their students.

Nationally, long-term trends in academic performance, assessed by the National Assessment of Educational Progress (NAEP), show a persistent and troubling achievement gap between white and non-white students in the United States. The Department of Education began monitoring this achievement gap in 1971, and until the late 1980's it found that there was significant progress in reducing the disparities in educational outcomes between minority and non-minority students due to the extensive Title I and other supplemental funding that took hold in the 1970's. During the 1990's however, since the level of Title I funding was reduced, the gap has steadily widened once more.

The achievement gap between whites and non-whites in reading performance is particularly disturbing. In 1971, the average reading score of black 17-year-olds was below that of white 13-year-olds. (NCES, Condition of Education 2001, Indicators 10, 11). By 1988, the black-white gap in reading scores had dropped by over 60%, from a gap of 53 points in 1971 to 20 points in 1988. By 1999, however, the difference in white and black reading scores had steadily risen 55% from 1988 levels to a 31-point gap. In 30 years, the only "progress"

made by black students was that the average black 17-year-old's reading score was now nearly on par with – but still slightly below – that of the typical 13-year-old white child. The average Hispanic 17-year-old was also outperformed in reading skills by average 13-year-old white students. Overall, achievement by all three groups has improved, but the gaps between white and non-white students persist.

Trends in mathematics performance are similar. From 1973 to 1999, white 17-year-olds' performance on the NAEP has been consistent: the average white high school senior is proficient in “moderately complex procedures and reasoning,” which includes an understanding of numbers systems, geometric concepts, and the ability to undertake such tasks as computing with decimals and fractions, evaluating formulas, understanding graphs, and using logical reasoning to solve problems. The average black 17-year-old is proficient in none of these basic skills. The average mathematics scale score of a black 17-year-old in 1999, 283, is identical to the average score of the average white 13-year-old. Like their eighth-grade white counterparts, black high school seniors are proficient in “numerical operations and beginning problem solving,” described as “an initial understanding of the four basic operations,” or the basic ability to add, subtract, multiply, and divide, as well as the ability to analyze “simple logical relations.” Hispanic 17-year-olds fared slightly better, with an average score of 293, which still placed them in the same achievement rubric as their black peers. (NCES, Condition of Education 2001, Indicator 12).

According to 2000 Census data, 9.4% of white Americans between the ages of 20-24 are not high school graduates. The rate of high school dropouts among blacks aged 20-24, at 19.5%, is over twice that of whites. Hispanics fare the most poorly: 37.7% of Hispanics in that age cohort have not finished high school. These statistics correlate closely to college attendance and graduation rates: while 34% of whites in their late 20s hold at least a bachelor's degree, only 17.8% of blacks and 9.7% of Hispanics have graduated from college. According to Harvard professor Christopher Edley, the consequences of this “growing separateness by color and class in our schools...are evident in learning outcomes, but also in such broader societal outcomes as shared community and intercultural competence in the workplace, the political arena, and the civic sphere generally.”

The economic consequences of high school dropouts are also significant, according to analyses by Columbia University economist Henry Levin. In 1994, Levin concluded that as at-risk populations make up a larger proportion of the labor force, “their educational preparation will be visited on the competitive positions of the industries and states in which they work and on our national economic status. Employers will suffer in terms of lagging productivity, higher training costs, and competitive disadvantages.” Clearly, this is already happening. In three national education summits, convened in 1989, 1996, and 1999, attended by the President, governors and chief state school officers of all 50 states, and national business leaders, participants agreed that a set of national educational goals was necessary to prepare American students to compete in the national and global economies. The general consensus of these national leaders, as indicated in a report issued from the 1996 summit, was that the national education system was not keeping up with the pace of change in the larger economy, which requires that all high school graduates, whether they are continuing their education or are moving directly into the workforce, have higher levels of skills and knowledge, including the ability to “think their way through the work day, analyzing problems, proposing solutions, communicating, working collaboratively, and managing resources such as time and materials.”

In the decades ahead, as non-white students increasingly constitute the majority of the populations in states including California, Texas, Mississippi, Louisiana, and New Mexico, the societal costs of allowing these inequities to remain unchecked and unremedied will become progressively more intolerable and unacceptable to business leaders and to the nation as a whole.

## **FUNDING EQUITY WILL IMPROVE EDUCATIONAL OUTCOMES**

### **Research links adequate resources with student achievement**

Although some reports and scholarly articles have asserted the inherently illogical proposition that “money doesn’t matter” in regard to educational achievement, most education economists take issue with these conclusions and the statistical methodologies used to reach them and find clear links between additional funding of specific resources and higher student achievement. (See, e.g., Hedges and Greenwald, “Have Times Changed? The relation between school resources and student performance” in *Does Money Matter?*, Gary Burtless, ed. Washington, D.C.: Brookings Institution Press, 1996).

Judges in 11 of the 12 cases in which testimony has been made by Eric Hanushek – a prominent promoter of the notion that “money doesn’t matter” – have rejected this position because of their common-sense recognition that, as stated by the chief justice of the Arizona Supreme Court,

[L]ogic and experience tell us that children have a better opportunity to learn biology and chemistry, and are more likely to do so, if provided with the laboratory equipment for experiments and demonstrations; that children have a better opportunity to learn English literature if given access to books; that children have a better opportunity to learn computer science if they can use computers, and so on through the entire state-prescribed curriculum. ... It seems apparent to me, however, that these are inarguable principles. If they are not, then we are wasting an abundance of our taxpayers’ money in school districts that maintain libraries and buy textbooks, laboratory equipment and computers. (*Roosevelt Elementary Sch. Dist. No. 66 v. Bishop*, 877 P2d 806, 822 (Ariz. 1994) (Feldman, C.J., specially concurring).

In the real world, no one doubts that “money makes a difference.” The outcomes of the landmark Tennessee STAR Project class size reduction experiment demonstrate this point well. STAR was a comprehensive, carefully planned and executed study that followed the academic achievement over time of thousands of students placed in classes of different sizes. A number of analyses of the STAR study have concluded that students placed in small classes from kindergarten to third grade – especially poor and minority students – show lasting gains in educational achievement. In the most recent analysis of STAR data, released in 2001, Princeton economists Alan Krueger and Diane Whitmore found that the average test scores of black students who spent their first four years in smaller classes were consistently higher throughout their time in public school than peers who were not enrolled in small classes from grades K-3. Krueger and Whitmore concluded that if all students were enrolled in small classes, the persistent gaps in standardized test scores between black and white students would be markedly reduced.

A number of prominent education experts have found that money spent on specific educational resources has a direct and dramatic effect on student achievement. Ronald Ferguson of Harvard’s Kennedy School of Government has conducted research that links better qualified teachers, teacher salaries, and higher student performance. Dr. Ferguson has argued that highly qualified teachers can help a student overcome other obstacles to success. While factors like poverty and parents’ education levels are often linked with low achievement, said Dr. Ferguson, the effect of excellent teachers can be so strong that it compensates for other factors and helps disadvantaged students achieve at high levels.

Education experts also widely agree that additional time on task is an essential part of ensuring that at-risk students have the opportunity for adequate educational opportunities.

Through increased instructional time, provided by, among other things, extended school day and summer programs, student performance rises. According to Christine Rossell, a Boston University political scientist, time on task is the single greatest predictor of student achievement. Herbert Walberg, a University of Chicago education researcher, has concluded that after-school programs, Saturday programs, and summer school all improve learning.

Let me give a specific, powerful example, from my experience in New York, that is applicable nationwide. Reading Recovery is a remarkably successful literacy program for the lowest performing first-graders, many of whom are low-income, minority students. Participating students receive daily one-on-one 30-minute tutoring sessions from certified teachers who have at least three years of teaching experience and receive extensive professional development. Even though students are chosen because they are in the bottom 20% of their classes, between 1989 and 1996, 83% achieved grade-level proficiency after only 20 weeks in the program. The impact of Reading Recovery has been like putting a rocket on a kid's back. But unfortunately, most schools and districts educating low-income students do not have sufficient funds to implement the program fully. In New York City in 1999-2000, there was funding for only 3,000 of the 17,000 students in the bottom 20% of their first-grade classes, and cuts in next year's budget will likely reduce that number.

The ultimate truth is that money well-spent will make an enormous difference. In the past, some school districts that received increased funding misused their resources. Accountability means currently being implemented by most states and the NCLB Act are geared to ensure that school officials properly utilize current funding. At this time, the focus should be on methods for assuring that poor and minority students have critical educational resources, such as qualified teachers, pre-kindergarten, small class sizes, and extended school days and school years. State legislatures, executive branches, and courts have an obligation to the students in poorer districts to appropriate a fair share of educational resources — and to see that effective accountability mechanisms are put into place that ensure that these additional resources are effectively used so that they result in actual and sustained gains in student achievement.

### **Costing-out: Linking resources to actual need**

There is a broad national consensus on the resources needed by at-risk students to be successful: highly qualified teachers, small class sizes, appropriate instructional materials, safe and modern school facilities, and continuous intervention programs that provide "more time on task" including early childhood education, remediation programs, and after-school programs, among others. While common-sense would indicate that aid to schools should be based on the actual costs of these resources, and the specific needs of students, only recently have states begun to seriously link funding to actual need and to undertake the critical task of "costing out" the per pupil expenditures necessary to provide students in low-wealth districts equitable educational opportunities.

A costing-out study determines the amount of money actually needed to make available all of the educational services required to provide every child an opportunity to meet the applicable state education standards. A variety of approaches for undertaking such studies have been used in recent years in many states, including Alaska, Illinois, Ohio, Oregon, New Hampshire, Wisconsin, and Wyoming — in some cases as part of the development of a new funding system ordered by a state court.

Historically, most state education finance systems have purported to establish, as their basic building block, a "foundation amount" that presumably would guarantee sufficient funding for each child to obtain an adequate education. From the beginning, however, in most states no real methodology was used to determine what the foundation amount should be. Instead legislatures tended to establish the foundation based on the amount of funding they

were willing to allocate for educational services with little regard for actual needs. Moreover, the base amounts that initially were established eroded dramatically over time because of budget pressures, competing political priorities, and inflation. The significance of the costing-out approach is that it determines a true foundation amount by identifying the specific resources and conditions necessary to provide all children a reasonable educational opportunity and then systematically calculates the amounts necessary to fund each of these prerequisites.

A good example of the costing out approach is the study recently conducted in Maryland. Outside consultants convened expert panels of experienced educators to designate the resources schools need in order to produce acceptable levels of student achievement. For low-income students, the panels identified specific educational resources, programs, and services that they deemed necessary, primarily more teachers and other personnel to provide full-day pre-kindergarten and kindergarten, smaller class sizes, and extended day and summer school programs.

After reviewing this costing-out study and two others, the Maryland commission concluded that the base per-pupil cost of providing an adequate education to students who are not “at-risk” of academic failure is \$5,969 in Maryland, and that providing adequate educational resources to enable low-income students to attain the targeted passing rates for all students on state assessments will require an additional \$6,566 per pupil, for a total of \$12,535. Although, in practice, school districts will have flexibility in how they spend the additional money, the commission’s report presented examples of how it expects these funds to be used. The commission’s recommendations emphasize services and supports for pre-school and elementary school children to address learning deficiencies as early as possible.

An example of a hypothetical Maryland elementary school illustrates the essential resources additional funding provides. In an elementary school of 1,000 K-5 students plus 52 low-income students in pre-kindergarten and the statewide average of 31% low-income students, the additional funds would total \$2,377,000. To properly staff and support the pre-K, kindergarten, smaller class sizes, and extended day and summer school programs and support services deemed essential for the low-income students, this money would be spent on 22 additional certified teachers, approximately 30 additional teacher aides, two library/media aides, four guidance counselors, two therapists, two health technicians/nurses, two parent liaisons, and two additional administrative support staff. Some of these funds would also purchase additional technology and professional development.

## **PROPOSED CONGRESSIONAL ACTION**

Congress can take the lead in focusing attention on inequitable educational opportunities as a national problem that requires sound and consistent solutions in every state. First, Congress should amend the “No Child Left Behind Act” to ensure the resources necessary to provide all children the opportunity to meet high standards. There is a broad consensus on the programs and reforms that are needed to increase student achievement; as Congress rightly supports high standards for all children, it must not let these meaningful standards-based reforms become unfunded mandates to states, districts, and schools. The evidence establishes that qualified teachers, adequate facilities, appropriate instructional materials and technology, and increased instructional time are the key resources needed to raise student achievement. All students can learn, and learn to high standards; federal support of these critical resource areas is necessary to ensure that support of high standards does not push the neediest children further behind. It is incumbent upon the federal government to contribute its fair share to fully funding these critical resources as a major step in rectifying the gross inequities found in every state. To do this, Congress should act immediately to fully fund both IDEA and Title I – which has clearly been successful in making

significant strides to close the achievement gap in the past – and to ensure guaranteed authorization of full funding for the entire duration of the act.

Second, federal education funding in general, and Title I funding in particular, should be linked to a comprehensive, methodical, and needs-based costing-out of standards-based education in every state. The federal government should couple full funding of Title I and IDEA with accurate assessments of the actual costs associated with the resources funded by federal aid, like facilities and qualified teachers. For example, as a condition for maintenance of existing funding, or increased federal aid, every state should demonstrate that it has conducted a thorough costing-out of standards-based education, and can link federal aid to correcting specific resource deficiencies, such as qualified teachers in every class, identified through this process. Sound costing-out processes should take into account the critical resources necessary to raise student achievement, regional cost variations, and the numbers of impoverished students, English language learners, and special needs students in individual districts.

Linking federal aid to costing-out at the state level would accomplish three major goals: First, it encourages states, regardless of litigation status, to determine the actual costs of educating children based on a consistent, specific set of state-designated standards. In many states, this would be the first time the true costs of adequate educational opportunities would be ascertained. Second, it would allow the federal government to target aid toward remedying specific deficiencies in line with standards that will be used to assess their effectiveness. It will be much more difficult for critics to levy the charge that increased funding is being “thrown at” the problem when it is clearly tied to specific resources and goals. Finally, it holds the government at the federal and state levels accountable for reform. Too often, “accountability” in education debates simply refers to punitive measures on children; it is time to recognize that every level of the system must be held accountable, and by costing-out education in specific, transparent terms, it is harder for the government to shirk its own accountability for the resources crucial to making reforms work.

In conclusion, as Americans and members of a democratic society, we must ground our actions in the basic premise that *all* children – even those put at risk of academic failure by poverty, race, ethnicity, and immigration status – can learn. As Justice Leland DeGrasse eloquently articulated in his decision in *CFE*, “Demography is not destiny. The amount of melanin in a student’s skin, the home country of her antecedents, the amount of money in the family bank account, are not the inexorable determinants of student success.” All children, he concluded, “are capable of seizing the opportunity for a sound basic education if they are given sufficient resources.” It is time to tackle our collective responsibility to all children head on and with the fullest resources we can provide. If, in the years and decades ahead, we are to truly leave no child behind, we must remedy the missing link to success for the No Child Left Behind act, and ensure that adequate resources are both put into place and effectively used to provide all students with a meaningful educational opportunity.