

# Center for American Progress



**“FUND THE CHILD:  
A DEBATE ON WEIGHTED STUDENT FORMULA –  
WILL IT WORK AND CAN WE DO IT?”**

**OVERVIEW BY CYNTHIA G. BROWN, DIRECTOR OF  
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MR. JOHN MERROW: Good morning everyone. My name is John Merrow, education correspondent for the NewsHour and I guess more importantly the moderator for this morning's debate. The topic is fund the child. It's hard to think that anybody would take a position against funding the child. I don't know if anybody is old enough to remember: *National Lampoon* did an issue debating pornography. It was called "Pornography Threat or Menace?" And this seems a little bit like that. It's "weighted student formula: solution or cure?"

So we have a weighted adult panel to discuss the student formula. I think there's one panelist who will have a few questions and I will try to ask a few questions of my own, but it's a terrific panel. I'm not going about it to take a lot of time on their illustrious backgrounds. John Podesta has an illustrious background. (Laughter.) You can read about it. Michael Rebell – I always want to call him rebel – has an illustrious rebellious background. Arlene Ackerman has actually implemented a weighted student formula in three districts, which is part of her illustrious background. And Rod Paige has an equally illustrious background. Cynthia Brown asked me to make sure I told you that she has an illustrious background – (laughter) – and she does. And I only had two minutes for my introduction and I think I probably used it.

We're going to start with Cynthia and a little primer on the weighted student formula – a PowerPoint just to walk us through the pros and cons. And then after that, it's a conversation with these four. And at some point what I'd like to do is open it up for your questions as well.

Note: See attached Powerpoint presentation.

Cynthia? Thank you.

MS. CYNTHIA G. BROWN: Thank you, John, very much and welcome to the Center for American Progress. We're happy to have all of you here to discuss this important topic.

My job this morning is to give you some of the basics of weighted student funding. Weighted student funding is getting a lot of attention these days because of a very important report called *Fund the Child: Tackling Inequity and Antiquity in School Finance*, which was put together by the Thomas B. Fordham Foundation. It was signed by 75 former government officials, educators, researchers--folks interested in education. Signers included three of the panelists, including John Podesta and myself from here at the Center.

Now, there are a few things you need to know about weighted student funding. Basically, funding follows a child to any public school that he or she attends. The funding is weighted, and varies according to a child's need and some other relevant circumstances. Funds arrive at schools as real dollars, not as other predetermined inputs such as teaching positions. Principals have authority over their budgets and the funding system is simplified and more transparent. As Rod Paige has said, you can think of it like a backpack that travels with a student to the public school of his or her family's choice. The more disadvantaged the child, the bigger the backpack.

So here is a hypothetical of how weighted student funding might work. Each student would be allocated a base amount of say about \$4,000, and then a system of weights is implemented. It might be a different amount for poverty or for a child with a disability or an English language learner. The school's budget is then calculated by adding up the respective allocations of each of its students. The school's operating budget thus reflects the makeup of the student population, providing it with the necessary resources to meet those students' needs.

Funds arrive as real dollars and school leaders have more flexibility. For weighted student funding to have a real impact, school leaders must have a high amount of discretion in certain areas: in choice of many of its academic programs, use of time, decisions about non-academics services, including transportation and maintenance. And they need to have flexibility with regard to staff hiring decisions.

Now, why is weighted student funding needed? It's needed because the current system of public school funding is plagued by inequity and is very old. There are big funding gaps between districts. The national average of per student differences between the lowest and highest poverty districts is \$907. The national average between low and high minority districts is \$614. There are also big gaps within states. Just take a look at these four states where you see thousand-dollar differences or more among the high poverty and low poverty districts and high minority and low poverty districts.

And these inequities add up. In New York, two classes of 25 children could have as much as a \$57,000 difference in funding. For a typical 400 child elementary school in New York, the difference could be almost \$1 million. When you look at a high school of 1,500 kids, you get over a \$3 million difference in what would be spent in these schools. The current system hurts the kids that need the most help--the kids that come to school with less end up in schools that get less money.

Funding gaps are also a problem within districts. For example, the ten largest districts in California have funding gaps that range from \$64,000 to \$500,000.

Another problem is that we have a very old system in a rapidly changing world. Parents and students today move much more frequently from community to community, district to district, state to state. Furthermore, parents are choosing alternative schools. When they're aware they have a choice, thirty-five percent of parents choose alternative schools instead of their neighborhood schools. These include charter schools, certain

magnet schools, transfer provisions and open enrollment. There are also school districts that have totally open enrollment.

What are the root causes of inequity and antiquity? Well, it happens at all levels. At the district level you have funding based on school size; budgeting by size of staff, not salaries; and you have savvy schools that are very good at lobbying the districts for extra resources for special programs. Finally, you have general inertia.

At the state level, there is an over-reliance on locally generated funding; there's inadequate funding for special-needs kids, particularly in special education; and there's inadequate funding of alternate schools. And again you have those savvy districts that are able to lobby for extra help for themselves. There are many issues and challenges that arise when putting in place a weighted student funding approach and we'll hear a lot about that from our panelists in a few moments.

So where do we go from here? According to the *Fund the Child* report, it states that change must ultimately originate at the state, district, and school levels. Policymakers and school leaders need to reassess their current funding systems. States should substantially increase their role in education, and states and schools should dramatically increase the amount of funding data that is made publicly available. The federal government has a role, too. It needs to require true equity based on real salary costs as a condition for federal funds eligibility. It needs to amend funding allocation formulas that favor wealthier states and it needs to continue streamlining the federal funding to allow school autonomy.

I'm going to stop here. In your handout you have three more slides with data about experiences at the local level in the old system and in some school districts that are putting in place weighted student funding.

So, John, it's all yours.

MR. MERROW: Thank you, Cynthia, for the terrific overview.

MR. MERROW: And I want to encourage the folks on the panel to talk to each other if you so choose. I'm curious, Mr. Secretary, you're in favor of this. Which hat are you wearing? Is this a federal hat, your school district superintendent hat, or your current sort of entrepreneurial hat?

MR. ROD PAIGE: I have on my concerned American citizen hat. (Laughter.)

MR. MERROW: That, by the way, is what you call a softball question. (Laughter.)

MR. PAIGE: But an important one of course. I think that we as a nation are paying too little attention to this very important issue. The big issue being how do we educate our children? How do we create opportunities for all of our children? We have

an experiment here, the American experiment, which was based on the premise that we have an educated citizen. And although you hear a lot of talk and read a lot about education and economics, I'm concerned about us operating as a nation in fulfilling our founders' dreams because we may not have our citizens educated to the extent that we can govern ourselves.

MR. MERROW: And so you think this is the road to a solution?

MR. PAIGE: Well, in the first place I want to make one thing very clear: this is not a silver bullet. There are no silver bullets. But this is a very important issue because few things cause as much imbalance as funding does.

MR. MERROW: Let me ask John Podesta, what's a good Democrat like you doing –

MR. JOHN PODESTA: Probably a lot of people in the audience are asking that question. Well, I want to stick with where the secretary is, which is that you've got to think about this from the 50,000-foot level as well as from deep in to the weeds of how student funding works. That is, we have substantial student achievement gaps both domestically and with respect to our international competitors from an economic perspective. Most importantly I think we need to address the gaps between poor and minority kids, and better off and middle-class kids.

Last year, the Center issued a report with the Institute for America's Future that was from a task force led by Governor Janet Napolitano and other key stakeholders in this system. The task force called for a major reform agenda to fix the public education system. The agenda included putting more effective teachers in the classroom, more time in school, and connecting schools to the communities. But in the end of the day, none of that can be done unless we fix the school funding problem.

Right now we have an upside-down system, as Cynthia's statistics pointed out. The kids who have the most going into school get the most when they're in school.

MR. MERROW: So you see this as a "spend more on the poor" approach to education?

MR. PODESTA: I see this as focusing the attention of the American public on the fact that we're underfunding and creating a resource base which, again, creates an upside-down incentive system that spends the least on the poorest kids when they need the most help. I think if you focus the public's attention on this fact, and use this weighted student formula where money follows the child, you'll get resources in the schools where they're needed. You'll be able to attract the kinds of teachers and programs that are necessary to help the kids who are most dependent on those resources in public schools.

MR. MERROW: So it is spend more on the poor? Can I use that name instead of fund the child?

MR. PODESTA: I think it is spend money effectively on the kids that need it the most and that, I think, will naturally result in more money being spent on poor and minority kids who do need it the most.

MR. MERROW: So it's a Robin Hood kind of thing?

MR. PODESTA: Well I wouldn't call it Robin Hood. I think that in our country the ability to provide opportunity for everyone has built the middle class, strengthened the economy, powered the nation forward and that's what this is about: trying to keep that engine of change and opportunity going.

MR. MERROW: Let me ask Arlene Ackerman who was school superintendent here, before that in Seattle, and then most recently in San Francisco. You've pushed for weighted student funding.. If my understanding is correct, Seattle was facing a big budget shortfall when it started. You were using this [weighted student funding] as a way to save money. Is that fair?

MS. ARLENE ACKERMAN: I don't think so. I think it was a way of addressing the equity issue.

MR. MERROW: Well, I believe that the the school budget was being cut significantly the first year weighted student funding was put in place.

MS. ACKERMAN: Well, I don't think so.

MR. MERROW: Well you were there, I wasn't.

MS. ARLENE ACKERMAN: The first year we developed the weighted student formula it really was about addressing equity issues. The shortfall in the resources came a year later. We were actually trying to find a way to address equity issues which, although it doesn't necessarily mean it's going to be equal; involves leveling the playing field.

We know that students come to schools and they come to our classrooms with different experiences that help them build on learning experiences in the classroom. And what we saw were inequities across the district. In some schools similar students with similar characteristics received more money. Weighted student funding was a way to initially – I was actually John Stanford's deputy at the time – address the equity issue, level the playing field, and to make sure that the resources that were coming in to the district were allocated to the schools in a fair and transparent way.

MR. MERROW: And that was the essential idea: there's a sticker on the kid's head of how much? Is choice an inevitable part of this?

MR. ACKERMAN: A part of it was also about choice. We believed that if we empowered principals and gave them resources, they would have the tools to attract parents and more resources. Also, if principals knew that they would get the resources to

address the needs of students and to prepare, develop and design necessary educational programs, they would have another way to attract parents to schools.

MR. MERROW: Was it a way to save money? I mean, you did have the budget cut.

MR. ACKERMAN: I don't think it was a way to save money. It is looking at the money that you have coming into the district and then making sure that it's allocated in a fair and equitable and transparent way.

MR. MERROW: Spending money better.

MS. ACKERMAN: Yes.

MR. MERROW: Michael, you're persuaded? You want to throw in the towel here?

MR. MICHAEL REBELL: I don't think so. Somebody asked me this morning how can you oppose something that's called "fund the child" and to be honest with you that's precisely why I oppose this report very vigorously. It is not funding the children. The real problem here is there's no attention given to how much money is coming into the district. As a matter of fact, this report in several places basically scorns the idea of the adequacy litigations and trying to determine how much money is actually necessary. The fact is most districts in this country are underfunded, especially when we're talking about the needs of poor and minority kids. So you're really talking about dividing up the scraps at the table. You're talking about a triage situation.

As you mentioned, in Seattle they were doing it during a time of budget cutting. I'm all for equitable ways of distributing money once you've got a fair amount of money in the district. Then we can talk about equitable ways of distributing it. But I'm very fearful that the focus on this report (and quite frankly the fact that not only people like Rod Paige, who I would've expected to sign this thing, but people like Arlene Ackerman and John Podesta) doesn't have a conscious aim. It's really set up to undermine the adequacy litigation movement, to undermine the fair funding approach, to undermine the whole professional approach to costing out how much money you really need to aim to help poverty students.

MR. MERROW: But other than that, you're in favor of it? (Laughter.) So it's not "fund the child," it's "rob Petey to pay Pauly?"

MR. REBELL: That's exactly right.

MR. MERROW: Arlene.

MS. ACKERMAN: I don't think it's an either/or for me. What it did in San Francisco in particular was to raise the level of the discussion. Just as Michael was

saying, we don't have enough money within the district to do what we need to do. So let's then raise this to a policy issue at the state level. But it didn't excuse us from looking at the resources that we had within the district to make sure that we were going to distribute them in a fair and equitable and transparent way.

MR. MERROW: Well, maybe it doesn't excuse you, but I think what Michael's suggesting is it gives other people an excuse: "Oh, look, she's got it worked out."

MS. ACKERMAN: No, it doesn't. It did allow you a voice to say you know what, there's not enough money here in the first place. And so we took that to a different level. Actually in California there are lots of discussions at the state level looking at how we are funding school districts across the state. And some of the loudest voices are coming from San Francisco parents and educators.

MR. MERROW: But there are other people in San Francisco. There are other voices in California – I live in California – saying, "Well, look at the success of that in San Francisco with the weighted student formula. I guess the schools don't really need any more money." You've heard those voices.

MS. ACKERMAN: Well, yes, I did. But the other thing that I wanted to say, and I think Dr. Paige said this, is that the weighted student formula is not the end; it's a means to the end. You have to look at this as one strategy in a set of coherent strategies that you put in place that focus on achievement, that focus on accountability and looks at the equitable distribution of resources: human, fiscal, and facility resources. So if you look at the weighted student formula as the end, it's a problem. But you should look at it as one of a set, a strategy and means to an end.

MR. MERROW: I'm going to ask the other three to give a specific response to what Michael said.

MR. PAIGE: I think if I understood you correctly, Michael, you voiced what is in my view the greatest barrier to reforming America's schools. And what you said was the most important problem we have is that there aren't enough dollars. Ignore the fact that we are not distributing the dollars that we now have effectively, ignore the fact that we're not using these dollars effectively, ignore the fact that the way we now fund ties the hands of principals and people in the schools to make decisions by the micromanagement built into a system that distributes based on staffing. When we focus America's attention on the single issue that we don't have enough money, we are not allowing for the real problems to be worked on.

So we're not saying that we could not use more money. We're not even arguing the amount of funds issue here. What we're saying is, whatever the amount that we have, and let me support you on getting more money--I'm not going to argue with you about that—let's take the dollars that we have now and allocate these dollars in a way that is fair to children. Different children come to schools with different needs, different requirements, different experiences –

MR. MERROW: But do you accept that there's not enough money? I mean, he's saying it's robbing one to pay the other.

MR. PAGE: Well, I think it's a mixed bag, but let's take a macro shot at that. The last year I was in the cabinet we spent over \$500 billion in K-12 alone. Now, that's getting pretty close to the medical situation in the United States. And also let me tell you this: states were choking on the money that was going down from the federal government. There was very ineffective use of these dollars.

MR. MERROW: So there is enough money?

MR. PAGE: In the first place, we have a collage here: 50 different states and 16,000 different school districts with different situations that exist in different places. You can't have one single issue like not enough money or enough money that would categorize the whole issue. It's state by state, district by district, even school by school issue.

MR. MERROW: John?

MR. PODESTA: Well, look, I think that the country needs to focus on investing in kids, investing in human capital. Some of that is going to take more money. I mentioned if you think that kids need to have more time on task, the school year's constructed wrong particularly for poor kids – some of that is going to take more resources and we support that.

But I think that you can't get away from the chart that came up at the beginning of this presentation. When you have schools, the poorest elementary schools getting \$500,000 less than the middle-class schools, there's something wrong. The incentive system is upside down. We want to provide, I think, at the national, state and local level, support for those kids so that they can achieve and they can have the kind of opportunities that we expect as Americans. Unless we create a system that's going to create a fair and adequate funding base, you can't do all the other things that we want to do. We want to see more effective teachers in the classroom. We want to see after school and summer school. But I think that you've got to basically level the playing field as a going in proposition.

MR. MERROW: So the argument is we already have a weighted student formula: rich kids get more money than poor kids.

MR. PODESTA: Yes, I think that's right.

MR. PAIGE: That's right.

MR. REBELL: Okay. I won't argue with that, but let me argue with a lot that Rod Paige and John Podesta just said. As far as whether we've got an adequate amount of money in our schools, let me speak from my own experience. As you may know, I've

been litigating these education adequacy cases for the past 14 years and people generally are not aware of what's been going on.

There have been 28 decisions of separate state courts on adequacy cases in the last 16 or 17 years. Plaintiffs have won three-quarters of them. This is extraordinary in a generally conservative time. And what does it mean? It means that when judges in red states, blue states, conservative leaning judges, Republican judges and Democratic appointed judges, look closely at the facts as to whether there is enough money in our schools to meet the state's standards, to meet the NCLB standards, you get this overwhelming response. As a matter of fact, the statistic is even higher than that. Of the 25 percent of cases where the plaintiffs lost, most were on jurisdictional questions and courts were not willing to look into the issue.

There's this shibboleth about does money matter and it's just dumping money into the system, which is what Rod Paige was sort of saying. Again, in these cases you had the experts on both sides, close examination of the social science literature, 30 courts going back even beyond the 17 years. In the last 30 years, 30 courts have closely examined this question of does money matter in education. 29 of them said yes, it does. This is extraordinary.

So what this is saying is let's get our priorities straight here. If we really want to deal with the kinds of fundamental education issues that Rod Paige is talking about, we've really got to do three things. You've got to get an adequate amount of money to meet the extraordinary needs of kids from poverty backgrounds, English language learners, kids with disabilities, as well as kids who come from more favored circumstances. And if we're serious about all of them meeting challenging standards, it is going to take a lot of money. The second thing you've got to do, obviously, is make sure the money is spent well and that primarily means building capacity in the low performing schools –

MR. MERROW: Does that also mean a weighted student formula?

MR. REBELL: That has an important role to play when you've reached that stage. If you have the adequate amount, then you should be talking about a fair distribution and kids from poverty backgrounds, kids with English language learning problems, kids with disabilities certainly should get more.

MR. MERROW: So you're saying you can't talk about it until you have more money.

MR. REBELL: You can't talk about it in any sense that's going to make a difference. You want to rearrange the scraps on the table, maybe you can do a slightly better job. But, by the way, both this funding formula manifesto and I'll be very blunt about it, what's gone on in Seattle and Cincinnati and these other places that are listed as having tried WSF – they're dividing this money in a political manner. They're not

dividing it according to student needs and I can get into that if you'd like to. But I know that's a separate issue.

MR. PAIGE: Michael, let me tell you what the parents and school people on the south east side of Houston would say to you as a result of that statement. They would say it doesn't make that much difference how much more money you put in the system if it's all going to end up on the southwest side of Houston where the high end kids are. Whatever amount of money is available for educating children, they want this money to be allocated in a way that's fair and transparent. And by the way, I'm trying my best not to argue with you about putting more money in the system. Do a good job on that, whatever's fair, whatever's needed. These are not mutually exclusive ideas.

MR. MERROW: This idea of the weighted student formula does have a curious momentum; it's not a new idea.

MR. PAIGE: No it's not.

MR. MERROW: It's been around for quite a while actually and I guess Edmonton is usually seen as the first North American place, but a whole bunch of districts have also tried it. Why is it a hot issue right now? What's going on politically?

MR. PAIGE: I think it's a hot issue because how many states Michael is this kind of litigation going on now?

MR. REBELL: Well, currently we've got litigation in about two dozen states, but

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MR. PAIGE: Historically in the last 30 years, 45?

MR. REBELL: Oh, yes, 45 out of the 50 states.

MR. PAIGE: So the idea about the funds available being distributed fairly is a big argument that we haven't yet settled.

MR. MERROW: So it's coming to a peak?

MR. PAIGE: Especially in the face of the needs that we have to elevate our schools' performance.

MR. MERROW: What I understood from what you all said is that transparency, equity, accountability, and autonomy at the school level are the virtues. Can we change the topic of the debate to weighted student formula: fears and flaws? Is that okay?

MR. PAIGE: Let me take a quick shot.

MR. MERROW: You want me to list them first?

MR. PAIGE: It's a tough issue because the staff-based funding system that we've used in the past, and the one we're currently using, is pretty well entrenched and hardended.. And we're coming out with a new system that says let's fund the child and let's meet the needs of individual children, recognizing that children differ in their needs. You have winners and losers. Some schools using the staff-based funding are being funded in a way that gives them a big share of the dollars.

Let me be very clear about this. For example, in Houston let's take two schools-- one on southwest side and one on the south east side. Southwest side: less crime, opulent community, supportive parents, teachers flock over here. When teachers get these jobs, they stay. And so if you're going to pay salaries based on average teacher salaries you will get a lot of money there. Now on the southeast side: young teachers in their first five years, schools funded by their salaries. The same number of teachers cost much less to fund there. So you've got an imbalance there that's unbelievable.

MR. MERROW: So that school gets fewer dollars?

MR. PAIGE: Fewer dollars, more dollars, same number of kids, same number of teachers.

MR. MERROW: Fears and flaws. It's a smokescreen to draw attention away from inadequate resources. It's a way to hire cheap teachers. The costs and needs will in fact be misrepresented because it becomes intensely political and principals can't handle the responsibility anyway; they haven't been trained to do this. Arlene you've lived through this, so –

MS. ACKERMAN: I have lived through it and I know that there is this national policy debate. As a practitioner it's funny that it's such a hot issue because for the last 15, 20 years I've been implementing it in three different districts and there was no debate about it outside of the community. What I found is once you make the transparency issue one that the community and parents understand, they want you to do something about it. They understand about leveling the playing field – they know the parents on one side of town know that. They actually understand and know that there is something more in some of the schools on the other side of town.

And what I found in all three districts is that it's important to make this a community debate, to talk about it, to show the numbers, and that then raises it not only at a district level but then takes it to the next policy level at the state. So in three districts, and I would ask Michael to look at San Francisco, the student formula was implemented in very different ways. The concept of funding students with similar characteristics was the same, but it was always tailored to that district, after listening to what the parents, the policymakers, the teachers, the principals said. It does take a lot of training. Principals don't normally have the kinds of skills it takes. It changes the culture of a school district. It changes it at the central office because they have to become more service oriented. It

changes it at the school level if you include parents and teachers because they get ownership in the academic plan.

MS. MERROW: Principals have to be entrepreneurs in a sense.

MS. ACKERMAN: I didn't focus on that. Especially in San Francisco we tied it to the academic planning process, we tied it to the budget, we tied it to academic and performance outcomes.

MR. MERROW: But is that a legitimate concern – that principals don't have the skills, the training?

MS. ACKERMAN: You can take care of that with training. Again, in three different school districts I saw principals able to handle it with proper training.

MR. MERROW: Michael?

MR. REBELL: Well, I want to respond to two of the questions you posed, John. The first one was why is this coming to a head of school districts like San Francisco and Seattle that have been doing it for years? And I think our focus today was on this particular *Fund the Child* report. I'll be very blunt about it: I think that report was issued and has come out for the purpose of undermining the trends towards adequate funding in our lawsuits and to refocus –

MR. MERROW: How does it undermine?

MR. REBELL: I'll tell you how it's undermining it. Rod, if I take you at your word here where you agree with me--that we need to start with adequate funding and then we can talk about how to divide it up in a fair way –

MR. PAIGE: No, I didn't –

MR. MERROW: He didn't say that, Michael.

MR. REBELL: He said he wasn't against adequate funding.

(Cross talk.)

MR. REBELL: Well, he's against adequate funding.

MR. PAIGE: You mischaracterized it again.

MR. REBELL: Well, let me just say this.

MR. PAIGE: Can you look at it fairly?

MR. REBELL: That's what I'd like to know. I know you're on the board of the Fordham Institute that did the yeoman work in writing this. I'd ask this question: if you're going to say that we've got inequities and we've got to deal with funding the child, why didn't that report in its first section say what we need to do is get an adequate amount of funding and give us some recommendations about how to convince the state legislatures, the federal government, whoever it is to give us an adequate amount? Then if we have an adequate amount let's talk about how to divide it up. They don't. They say in there we don't presume to tell the states what's an adequate amount.

Quite frankly, I think that this is a political device to shift the debate from adequate funding, which is getting most of the attention in state legislatures and state courts now. It is trying to take a well sounding concept like weighted student funding and put that at the center of the debate. I'm not against weighted student funding if you have adequate amounts and if you do it in a fair and reasonable way. Now, that's my second point.

Responding to your question about flaws, John, there are tremendous flaws in the way this report goes about the funding. I don't know the facts of how they determined the weights in San Francisco, and I see on the chart here on page six of our handout they have a number of cities. They don't have San Francisco. But just looking at this quickly, the funding for disadvantaged, poor students in Cincinnati, Hawaii, Houston, and Seattle is 105 percent, 110 percent, 120 percent maximum.

You know, when we went into professional costing out studies to determine how much money you really need to fund kids coming from a heavy poverty background, the range is 50 to 100 percent. I think it was precisely 87 percent in our New York costing out study. This is a figure of what the market will bear and the *Fund the Child* report – it said quite frankly that will set these extra weights from a market point of view of what we need to attract more students into certain schools. This is not focused on the end result of how much we need to provide the extra, intensive services that poor kids need to make state standards. That's what we should be focusing on.

MR. MERROW: John Podesta, you must have thought about this stuff before you signed on, or are you changing your mind as you're listening to Michael?

MR. PODESTA: If anyone on the panel would've been concerned about the vast right-wing conspiracy, it would've been me. But I have to say I'm being outdone here. (Laughter.) I think as all of us who support this report have noted that this is not a silver bullet but it is –

MR. MERROW: I want you to address Michael's specific concern saying this is a diversion. He's not talking about silver bullets; he's saying this is a diversion – smokescreen.

MR. PODESTA: Well, I don't think it is a diversion. I think that, again, we're full throated in our support for more resources and for aiming them at specific strategies

that will actually improve performance. On the other hand, we think that this question needs the proper kind of leadership—this isn't easy to implement first of all, as I think Arlene noted. It needs leadership at every level: district, principal level, et cetera. But I don't think it's a diversion and I don't think quite frankly that this report in any way undermines the kind of litigation that's being discussed here.

MR. MERROW: Maybe just the very numbers that Michael suggested: 105, 110 percent. Arlene?

MS. ACKERMAN: I was in Seattle when this was developed, so what we did was to start with here's what we had in terms on resources – fiscal resources coming into the school district. Given that, what does it take with the money that we have to educate a child who has no particular serious needs, special needs? And we gave that, the level one and then you started adding weights based on, again a level playing field. This is the money that we have. This is a finite amount of money and what dose it take to educate a child who has particular needs? And you keep adding on those resources, so that –

(Cross talk.)

MS. ACKERMAN: We started with the fact that we didn't have enough money. I mean, Michael, I will come over and argue with you any day that we don't have enough money to start with. But my point is, given what we do have, shouldn't we then allocate those resources in a fair and equitable and transparent way?

MR. PODESTA: John, I want to come back to something you said, , which is we do have a weighted student formula now. But instead of 130 percent we're getting 50 percent and that's what these numbers show. And so I think that unless we reverse that, in addition to providing more resources, I think we're not going to solve the problem.

MR. PAIGE: And Michael, whatever's fair. We congratulate you on your work and you're very passionate about it and that's good. We're not arguing with you about it. But I want to ask you three questions: do you agree that funding should follow the child on a per student basis to the public schools that they attend? Do you agree that per student funding should vary according to a child's needs and other relevant circumstances? And do you agree that the funds should arrive at the school as real dollars--allowing flexibility for the leadership in the schools, the principals. That is, should principals after consulting with the teachers, be able to apply these dollars as they are needed in that particular school, recognizing that schools are different?

MR. REBELL: Okay, if I can have a minute to answer those, I'll answer the second one first. I agree that funding should be allocated in accordance with student needs. Now, whether that means that the funding should follow the child to a particular school, quite frankly I would not presume to answer that on any kind of across the board national basis. It's another problem I have with this scheme. It may be under the circumstances of San Francisco or a particular city that made sense; in other cities, it may not make sense.

And let me give you a good example of why. I think the biggest problem we have, the biggest challenge after you've gotten adequate funding is what I call capacity building. That is, especially in low achievement schools, we need to get them the professional development, the quality teachers, the smaller class sizes, and the other things that they need. This is very often the problem. We certainly experienced this in New York which doesn't have really talented principals – I'm sure Arlene knows this – and you don't have the quality teachers. So you've got to do a lot to build that up from the beginning, and to build it up you need effective support coming either from the state or the city because it's not there at the local level. Now, maybe in some ideal sense 25 years from now after we straighten this all out, where you've got competence in every school and level, we can talk about this.

MR. PAIGE: We better do it sooner than that.

MR. REBELL: Well, if we're going to do it sooner than that I submit that you need strong support coming from the center in many circumstances. And to make this a sound-bite thing that across the board we're going to have the money follow the child, it makes no sense from a capacity building point of view. Where it does make sense, obviously, is making it easier to use funding to support charters and voucher schools and I respect that for people who believe in those as the major reform. I don't happen to believe in it. So if this is a system to channel money into charters and vouchers, we ought to say that and we ought to ask people like John Podesta if they're going to sign a manifesto that has that purpose.

MR. PAIGE: Boy, that was cruel. (Laughter.) That was mean. If the dollars are not to fund the child, are they to fund the system? (Unintelligible) the adults in this environment? What are the dollars for?

MR. REBELL: The dollars are for improving education and primarily for the poor and disadvantaged kids who have been ill treated. And, as I say, what the best way of doing that is going to be in any particular system, I'm not going to presume to say at the outset. It may be that in a certain system this fund the child thing can work right way. I can tell you – I'm from New York I'm very experienced in the details of that system – it would've been a disaster if they had put this in effect across the board ten years ago, five years ago or this year. Maybe ten years from now they can do it.

MR. MERROW: But that's a capacity issue. You're saying that principals, the teachers aren't good enough and the principles don't know what they're doing?

MR. PAIGE: I hope he's not saying that.

MR. REBELL: Yes, I am saying that.

MR. PAIGE: I hope you're not saying that because I think that we have some of the best people in our nation in our schools.

MR. REBELL: Some of them.

MR. PAIGE: I hope you're not saying that.

MR. REBELL: My daughter's a public school teacher, she's one of the best, but unfortunately – (laughter).

MR. PAIGE: Among a lot of other women.

MR. ACKERMAN: I'm a practitioner, so I have to go back to the fact that I've had the experience of implementing it – the weighted student formula. Again we are talking about it as if it's a single strategy. Again, it's a means to an end; it's not the end. And that's what makes me nervous when people talk about the weighted student formula as a single solution. It's not.

MR. MERROW: But how about Michel's point?

MR. ACKERMAN: I agree with Michael: you have to build capacity.

MR. MERROW: But he's saying it takes you –

MS. ACKERMAN: Well, it didn't take that long in any of the districts where I've been. I've had six years in San Francisco. In five years, the first year we actually did a pilot in 27 schools so we could learn what the capacity issues actually were. And then we implemented it across the school district with other strategies: capacity building, professional development, an aligned strategic strategy for academics, accountability systems – all of this went in place. Six years later, San Francisco is the highest performing large urban school district in California and we've had six consecutive years of increased achievement.

I believe in the weighted student formula because I've seen the outcomes. But it's not the only strategy that was implemented in San Francisco. So I don't want to make this "it's the weighted student formula and that's the answer." It's all of the things. I don't argue with Michael about these issues, but I can tell you I point to a district with some fantastic results.

MR. MERROW: John, you wanted to jump in?

MR. PODESTA: Yes, I think that ultimately Michael's thrown out a lot of stuff: that it's a Trojan horse for vouchers, which I oppose, Michael. You're kicking up a lot of dust, but at the end of the day what that means is he's defending a system in New York where per student disparity between lowest and highest poverty districts \$2,200, where per student disparity between lowest and highest minority districts is \$1,965. You cannot defend that system.

MR. MERROW: Everybody in the New York City system would be stunned to hear Michael being accused of defending the system. (Laughter.) They do not have ticker tape parades for Michael Rebell in New York City.

MR. PODESTA: Well, I mean, litigation may – you know, I hope he gets more money.

MR. MERROW: I hope he gets a ticker tape parade.

MR. PODESTA: But I think those statistics are stunning and they need to be corrected, in order to implement the kinds of reforms to provide the working environment where the teachers and the principals and the administration can work together and work these things out. You're not going to get real improvement in those schools until that problem is fixed.

MR. MERROW: Let me ask a question; maybe it's a Michael kind of question. Secretary Paige began by saying this is not a silver bullet, there's no silver bullet. But this is a country that believes in silver bullets – that latches on to silver bullets. I mean, there's another group that is saying if we could just make sure that 65 percent of the school dollars were spent outside the administration building, everything would be fine, and that legislation goes along. You say it's not a silver bullet, but you're living in a culture which says, "oh, silver bullet." And isn't there a risk that people will say, "Look, Arlene figured out San Francisco. Yes, she lost her job, but she figured it out. (Laughter.) So that's all we need to do. We don't need to give these kids any more money." Do you worry about that the three of you?

MR. PAIGE: Yes, I think that is a concern that we found –

(Cross talk.)

MR. PAIGE: We have this propensity for the find and fix approach to problems. Find a problem, fix it, then find another problem, fix it. We're ignoring the complexity of the system instead of seeing it from a systemic point of view.

MR. MERROW: You're saying this is a chance to step back?

MR. PAIGE: But there are some issues that are more important than others, and this one is a central issue. This is very important. It's not the one that's going to make the whole thing safe for democracy, but it is very important because there are other issues. Let me give you one or two issues that need to be fixed along with this. For example, the single salary schedule is an issue because we're talking about funding. So there are a lot of complex issues that reside in the same framework.

MS. ACKERMAN: I hope we're talking about differentiated pay, which is different than merit pay. I agree with Dr. Paige and I agree with you. Michael is one of the reasons I went to Teachers College because of this issue and because he was making

it a national focus. I just don't think the two are mutually exclusive. I think that we can do both: we can address this issue at the district level, and address it at the state and federal policy level.

MR. MERROW: But my specific question was this is a silver bullet culture. Are you worried you're being used?

MS. ACKERMAN: No, because I am saying to you that this was not the only strategy. It was put in place as a coherent part of a strategic strategy of reforms that included academics, looking at facilities, how we allocate our resources, and changing the whole culture of how we do business in a school district. The central office became one of service and support as opposed to mandating things to school districts. All of our schools have accountability performance targets that they had to meet and our central office people had performance targets. So I see it as, again, a single component— and I will argue that because from the very beginning it's a means to an end. It's not the end.

MR. MERROW: John?

MR. PODESTA: I think you raised the 65-percent solution. I think many of Michael's arguments actually are aimed at that which really begins from a political premise that there's plenty of money in the system; it's just not allocated right. I don't think that's what this report is about and I commend Secretary Paige in his *New York Times* article for pointing that issue out and the framing of that effort on that so-called 65-percent solution as one of really just trying to cut back on resources. This is something I think all three of us oppose who support this report.

MR. MERROW: Cynthia in her illustrious presentation talked about antiquity of the funding and savvy school districts. Is there something in this that is going to take politics out of it? It seems to me that this is just beginning— they're having huge arguments now in Hawaii. They have COW – the committee on weights – and they fight about who gets what. San Francisco is trying to figure out does race get a weight. Oh, that won't be controversial. (Laughter.)

MR. REBELL: John, before we get to that, can I just answer the previous question quickly? I think you had a really important point there in talking about American's tend to pick up this as silver bullets. I certainly can't speak for why John or Arlene signed this particular manifesto, but I can talk about the way it's being interpreted, the way it's being pushed. If you open up the website for the Fordham Institute, this is not called fund a child. It's called the 100-percent solution. So I don't know if that was the understanding of everybody who signed it, but it's the way it's being marketed. This is even worse than a 65-percent solution. This is the 100-percent solution. This is the answer. It solves everything. If you're calling something a 100-percent solution, what other implication is there?

MR. MERROW: Dr. Paige will get on that as soon as this is over. (Laughter.)

MR. PAIGE: Absolutely, and before, if you allow me.

MR. MERROW: Okay, thank you Michael. The politics – why would this be any less political than the system we have now? It would just be a different set of arguments. Arlene?

MS. ACKERMAN: I don't know. I didn't have this problem in any of the districts. In San Francisco, my problem was about other issues like irradiated meats and – (laughter) – so we did not argue about this.

MR. MERROW: It's a big issue in Seattle at this minute.

MS. ACKERMAN: Well, it is in Seattle I think because, again, it became the single solution as opposed to seeing this as a part of a complex set of coherent strategies that would lead to increased achievement. It became the focus of the reform strategy.

MR. MERROW: Can you have this weighted student formula without having winners and losers? I mean, I know people who have said let's have a hold harmless provision so that you don't really do it. Do there have to be winners and losers?

MS. ACKERMAN: There are winners and losers now.

MR. MERROW: In other words, yes.

MR. PAIGE: That's a big point to elaborate on. Kids who have great needs are losing.

MR. MERROW: Right, but when you do this there will be losers, but they will be the wealthy, they'll be the middle class.

MR. PAIGE: You're talking about who's losing: but kids are losing now who have special needs and who it costs more to educate. They're losing and that's what I'm trying to straighten out.

MR. MERROW: But if you do this, then you're really saying more to the poor. You're going to take money away – you talked about the two sides of Houston. You're going to take some from those folks who have got and give to them that ain't got.

MR. PAIGE: You've got a problem of the method that you use to accomplish this, but the goal is what you should focus on and that is fairness for all students.

MR. MERROW: You are from Texas. You know what's going on in Texas when they call it at the state level “the Robin Hood” and all that.

MR. PAIGE: I've experienced that argument. I expressed it when we worked on this in Houston. There is going to be a lot of debate about it. Fortunately, we live in a

country where debate is expected and we should participate in that debate and we should have that debate. That's one of the reasons we are talking about this now: we want the country to have this debate. We feel that if the country focuses on this and thinks about it clearly, they'll come up with the right way to do it.

MS. ACKERMAN: Well, there are winners and losers now as I said before, and I agree with the secretary here. I think the issue is beyond staffing standards, which are supposed to be fair. You have school communities, you have parents, you have principals who can argue and articulate for their schools. So what happens is you have some schools getting more beyond the staffing standards. That is unfair and when you show that, that's how you get those kinds of inequities. You have people who get what I call gifts. So I never talked about this in any of the districts as winners and losers. I talked about leveling the playing field and making the resources that we give to schools transparent and everybody playing by the rules the same way. Right now, that's not what happens.

The reason you get those kinds of inequities within a district is because you have parents who can go down and the squeaky wheel will get the oil that they need. You also have principals – I was one – who could articulate what my school would need and get it for them. I'd fight for them, me and my staff and my students. So this makes it transparent.

MR. MERROW: But that's not going to go away, you're just saying it would be transparent.

MS. ACKERMAN: Yes, it is going to go away because everybody gets to see what everybody else gets.

MR. MERROW: Somebody has got to do the measuring. Who is the guy, the girl, the committee on weights in Hawaii that weighs?

MR. PAIGE: All of us. Everybody can participate in this.

MR. MERROW: So the savvy, articulate parents of gifted children will come in and say, "Hey, we need to weight gifted kids."

MR. PAIGE: Absolutely. They're going to make that case. And also parents from less gifted kids are going to be there and they'll make their case. We'll make sure that they are all represented. That's the way we do things.

MR. MERROW: You worry about that, John?

MR. PODESTA: Yes, well look, I don't think you can wipe politics and policy out of the system. And I think there's going to have to be all the stakeholders, the teachers, the principals, everybody is going to have to come to the table. But I think a more transparent system will expose the inequity. In your discussion of winners and

losers I think the natural of the politics, flow, and the reason I'm supporting it, is to have the water level rise for the poorest kids.

MR. MERROW: Michael?

MR. REBELL: I'm a little bit concerned about this political approach to dividing up the weights. I notice here in Cincinnati the gifted and talented are getting 129 percent increase and the disadvantaged, poor kids are getting 105 percent increase. Something tells me what's going on here is the savvy people who knew how to game the system before get in that room and somehow are able to have more weight in these kinds of discussions.

MR. MERROW: Is that just Cincinnati gone bad or do you think this is a fundamental, fatal flaw?

MR. REBELL: I don't think we should necessarily make our decisions on how to divide up education funding by a grossly political process. The fact is there are a number of professional methodologies that have been put in to place in about 30 different states. None of them are perfect and there's a lot of debate within the expert community about which method is better. But I think most of them or all of them are better than a pure political process because they are focused on actual needs and you have people who are somewhat more divorced from the system. There is input – there is political input, but the decision making is made in a much more professional way and you've got to justify things in transparent terms that are much more accountable.

MR. MERROW: I don't think Superintendent Ackerman would disagree with that, would you?

MS. ACKERMAN: No, I agree with you.

MR. MERROW: What's your reaction to the Cincinnati numbers? Is that outrageous?

MS. ACKERMAN: I don't know because I don't have enough experience with how they came up with these numbers.

MR. MERROW: But on its face are the numbers outrageous?

MS. ACKERMAN: I don't know. I just don't know because it's out of context for me. I can tell you that in San Francisco we had a committee and we took this to the community and discussed this with everybody who was anybody. It was a political process, but somehow we didn't make the national news. We weren't on anybody's radar screen about this issue. People understand it when it's transparent and they understand basic fairness. And then to me, what I said before and I keep saying it, it raises it to a different level. We don't have enough money: \$5,700 per student in San Francisco is not

enough money so we have to take that to a different level to get more money coming into the system.

MR. MERROW: I'm going to shift gears just slightly. Michael, you mentioned charter schools somewhat disparagingly. You probably know that Hawaii, which is one school district, has legislation for a weighted student formula – weighted student funding. The charter schools are not happy. They are not – as I understand it, at least some of them are saying we don't want to sign this. "It's a step backwards," said the head of Hawaii's Academy of Arts Charter School. There is opposition from rural schools. Can somebody take this apart for me? Certainly you, Michael.

MR. REBELL: Well, I don't know the particulars in Hawaii. I guess what I would advise the charter school advocates in Hawaii to do is to get their legislature to adopt the fund the child manifesto –

MR. MERROW: They have.

(Cross talk.)

MR. REBELL: Well, if they adopted exactly what is in that document, they would be well off.

MR. MERROW: John, charter schools not on board?

MR. PODESTA: Well, again, I don't know the particulars of what's going on in Hawaii. It seems to me that the general notion that the money follow the child in a weighted way is the proper way to think about school-based funding. To the extent that that ends up being positive for charter schools, I think so be it. I think that charter schools and school choice is a good thing, but I think we need to demand the same accountability and standards from charter schools and we ought to take a look and see what the results are producing as a lot of recent studies have been doing.

MR. MERROW: Now, the list of school districts, mostly large urban ones – Houston, LA – you find a dozen or so mentioned. But Cynthia talked about this as a state issue. In your view – the three supporters – should this be adopted at the state level? California has a big lawsuit about funding. Does it make sense for a state to say, let's have a weighted student formula or funding? Arlene?

MS. ACKERMAN: I think so and I was on the governor's advisory committee in California. I was also on a larger state committee that was addressing the lawsuit – the Williams lawsuit. And we talked about this. I was really very, very disappointed that in the end we did not get a weighted student formula at the state level as a part of the settlement because we spent months, hours and hours talking about it.

MR. MERROW: A little piece about California. California has about 1,000 school districts; 400 of them have their own private foundations, which raise an

additional amount of as much as \$3,000 per kid. The state provides a bare box which is what the poor districts get because they can't afford foundations. So if then you take a poor district and say let's have a weighted student formula, you really are dividing up scraps. Some of the extra money comes from the local school district. I live in Palo Alto, where we have a weighted student formula compared to East Palo Alto. I think it's the second largest disparity in the country. I mean, East Palo Alto couldn't solve that— it argues for a state solution.

On the other hand, you have the wealthy parents with these — as I say, 40 percent of the districts have foundations which are major. What you have in California are two separate worlds of school districts. Is the weighted student formula at the state level politically possible? Let's just start with that.

MS. ACKERMAN: Obviously not because it didn't get implemented with the Williams case, although we'd spent a lot of time talking about it. I think the discussions are still going on. I hope that that it will — because I think that gets to Michael's point. That's where most of the districts — 85 percent of the districts get the majority of their funding at the state level, so you have to affect that — the pool of money coming into the district. And a weighted student formula would allow districts like San Francisco and other large ones —like LA — to get more dollars because we are dealing with and trying to educate the children who have the most needs.

MR. MERROW: John, time for state action?

MR. PODESTA: Well, I think so. I doubt we'll find common ground today—but I think that Arlene has pointed out something important. To the extent there is common ground, it has to be in a situation like California. There has to be adequate state resources, where the student formula makes sense in terms of distribution down from the state level.

In terms of the politics of it, again, more transparency is important in order to empower the political system to be able to tackle the problem.

MR. MERROW: Michael, look at Texas where Robin Hood and so on and so forth. Is a state solution possible?

MR. REBELL: Well, again, across the board silver-bullet solutions worry me wherever they're coming out and it is a very political environment. On the one hand, I think talking about weighted student funding on a state level does have the great advantage of transparency and I don't minimize it. That is the one of the real strengths of this compared to what we call the three-men-in-a-back-room way of budgeting that we have in New York and Ohio and a lot of other places. If somebody has to justify what the weights are, what the decisions are, that's all to the good.

On the other hand, categorical funding worries me. When you're starting with weights, especially if you're going to multiply it and have weights for all kinds of

categories in addition to poverty – special education and English language learners – it gets to be cumbersome system and the transparency becomes more and more difficult.

We reached the apex of this in New York where we have 50 different categories in our formula and it becomes a game. The politicians could reach out to whatever community they want to appeal to politically, say bilingual or gifted and talented, and say we're going to increase the amount for gifted and talented this year or for ELL so they give a little more in that pot. But then they take it away in some other parts that nobody sees and the bottom line is the district is getting less. So it's just a caution.

I think it can be a useful tool, but it's not the silver bullet and it's not the 100-percent solution.

MR. MERROW: I want a response from Secretary Paige, but I also want you to answer whether there is a federal role here. Do we need state legislatures – should states be saying let's do this? And the second question is: does the federal government have a role in this?

MR. PAIGE: Let's take that in order. First thing is, I don't want to miss the fact that we got a consensus statement from Michael. (Laughter.) I don't know. I think there's a role for federal standards in education. Of course, we are deciding now and we've not yet decided actually on how funding is going to evolve. So far funding is the prerogative of the states.

MR. MERROW: So when you say federal standards you mean outcome standards or do you mean funding standards?

MR. PAIGE: Academic standards, not funding standards.

MR. MERROW: I want to open it up. Just a quick plug: three years ago I produced a documentary for PBS about the history of California public schools called *First to Worst*. It really documents the story of what happens when funding is just so horribly out of whack. It's not a pretty story, but it's a documentary you might want to look at.

Would you stand up at the back and please introduce yourself.

Q: Paige Shevlin, CBO. I have a couple. There are two separate questions here. The first one is why should these percentages be different across different districts? It seems to me that you would figure out an average cost for funding a student for just the average student. You would adjust that to price levels in different states, different areas, and then you would decide how much does it cost to educate a poor person relative to this average person and that percentage would be the same across every single district.

MR. MERROW: So your question is why aren't school districts rational? Why don't they talk to each other? And I want to hear the answer. Want to answer it? Somebody want that?

MR. REBELL: I'll handle that. To a large extent you're right that there certainly should be a lot closer merging of these percentages. On the other hand, there are reasons why it may differ state to state and if you look at the poverty –

MR. MERROW: She's saying district to district, Michael.

MR. REBELL: Even the district to district. I mean, if you take poverty, for instance, the degree to which kids are coming from a concentrated poverty background is going to vary from various districts. There is a lot of understanding in the literature that you reach a certain point in heavy concentration of poverty where the needs become much, much more substantial. So factors like that are going to play into it. In special ed, it may be the mix of what the disability categories are. But you're right: there should be no justification for a range from 105 to 187.

MR. MERROW: But even if they were divided rationally that way, some districts have a lot more money than others.

Q: I have a question.

MR. MERROW: No you don't. (Laughter.) Sorry, there are a lot of hands up and we've only got 17 minutes.

Q: Hi, I'm Kevin Finneran. I'm the editor of *Issues in Science and Technology*, the policy journal at the National Academy of Sciences, which is the world center for experts making decisions at the expense of everybody else. (Laughter.) Of course, at the same time that I was doing that I was also the head of a local restructuring team at a D.C. elementary school when Mrs. Ackerman was implementing the weighted student formula.

My question really is about the dynamics of school reform: how do we make it school reform that has staying power? It struck me that all our great ideas made very little sense when I went in to work on specific issues facing a school. My worry with Michael's solution is that it's expert decision-making. What he calls political other people call democratic.

MR. MERROW: So your question is?

Q: My question is, when you look at making long-term school reform, is there anything more important than transparency and public involvement in doing this? Just as a strategic matter, what's going to work over the long term in keeping school reform active?

MR. MERROW: I think it's a rhetorical question. Is there anything more important than transparency? Michael?

MR. REBELL: Okay, I'm certainly happy to answer that because I think one of the reasons that they're not holding ticker tape parades for me down at the New York City Board of Education is that I have been really aggressive about pushing for public engagement and pushing for public participation. The fact that you have an element of expertise in calculating these weights does not mean that there's not an important place for public participation. And let me give you one prime example of that. In order to set a proper weight for any of these categories, you've got to know what your output goals are – what standard is it that you want the students to reach? And with all due deference to Secretary Paige, I don't think No Child Left Behind gives us really credible, feasible goals for what a school can achieve--certainly in the short term.

So I think there's a process there. We did it in New York where you really need to open up for a very dynamic input and advise everybody what's going on. The public needs to have a lot to say on what the standards should be before we divide up the weights and figure out who gets what.

MR. MERROW: I think the other part of this question had to do with the staying power. I think – maybe I'm inferring –is this just the latest thing and will it go away? Let me start with Arlene.

MS. ACKERMAN: I was listening to you and I thought it was the democratic process at its best at the local level. People get stuck at the weights and this higher policy issue of how much we're going to put on the weights. You have to think of it all the way through. Once you decide that, then what does it look like on the ground level for the people who are closest to the children – the parents and the teachers? And then for them, it's public engagement like they never had before. I think that that's really very important.

MR. MERROW: You think it has legs.

MS. ACKERMAN: It absolutely has legs. I'm gone from San Francisco, I'm gone from Washington, D.C., but the weighted student formula and that process at those schools are there to stay. Once people get that kind of autonomy and power and engagement, they're not giving it up. What we need to do with this other level is try to figure out how to make it happen and to distribute those resources in a fair equitable way.

I've looked at this from the starting of this process all the way to what happens at the ground level – at the school level with the principal and parents and teachers. And they're engaged in a way that they never have been engaged before. As a teacher I was never engaged in the process.

MR. MERROW: I'm going to take the next question and it's going to be the woman in lime green.

Q: Good morning.

MR. MERROW: You are?

Q: My name is Leigh Dingerson, I'm with the Center for Community Change but I also have two kids in the D.C. public schools.

MR. MERROW: And your question is?

Q: And my question is in the ten or 12 or 15 years since weighted student formula was initiated in the D.C. public schools, can you describe for us what that's meant for the D.C. public schools and how gaps have changed between high-poverty and low-poverty schools within this district?

MR. MERROW: You sound skeptical. Are you aware of it in your kid's school?

Q: In our school, and this goes to the transparency issue as well – I'm also on the local school restructuring team at my younger daughter's school – we get a chunk of money to divide up. It's not enough money, but because we're a pretty well resourced school we can play the games. We're a savvy school.

MR. MERROW: So you know about it and you're working the system.

Q: We're working the system and I want to know how achievement has changed in the last 12 years based on weighted student formula here in D.C.

MS. ACKERMAN: First of all, the weighted student formula was implemented a year before I left. I think you have to have staying power with the leadership to carry it on and I don't think it was fully implemented.

MR. MERROW: But they're talking the talk?

MS. ACKERMAN: Well I think that we're talking about building capacity. We're talking about putting in place the professional development. We'll be making sure that the system is going to support this concept. I don't know what's happening in – I know the achievement after I left – but there are a lot of things in Washington, D.C., along with the weighted student formula that after I left fell apart. I had six years in my previous district, but I only had three in D.C. I can tell you after six years what can happen when you have that kind of leadership, longevity and chance for reform to take root throughout the system. And I can tell you that probably in D.C. it didn't have an opportunity to take root with the leadership, with me, leaving. Other people also left, and they weren't able to put in the other components of the academic reform, so you haven't gotten the results.

MR. MERROW: The average urban superintendent tenure is a little bit under three years now. So when you stayed for six or Dr. Paige in Houston, they were pushing up the average.

The man back in the blue shirt, yes. Please tell us who you are.

Q: Rick Kahlenberg with the Century Foundation. I signed on to this report for another liberal reason.

MR. MERROW: Do you want to come up and be forgiven? (Laughter.) We're not offering abstinence, that's at 11:30. What's your question?

Q: It has to do with the issue of integration. One of the things that I find attractive about weighted student formula is that if you put more money on the heads of poor kids that might be an incentive for middle class schools to track and recruit those students. There's a lot of evidence going back 40 years that that may be the single most important thing we can do for poor kids --give them a chance to go to middle class schools. So my question is an empirical one, I guess for Arlene Ackerman. Is there evidence in the places where this has been tried that integration by economic status results?

MR. MERROW: Do white kids follow the money?

Q: And if not, how big would the premium have to be to make the low-income students attractive to middle-class schools?

MS. ACKERMAN: Well, in San Francisco we were under a consent decree, so we had the movement back across the school district. In Seattle – and I see Joseph Ochesky is in the audience – that consent decree ended, I think, as I was leaving in '97. I think that that's a very interesting and complicated question for me to answer because I think if you build a good school and you get good results, parents will go no matter where that school is located.

The process of building that school requires, though, that the funding is there, that you have good teachers. The most important aspect to the outcome of a child's education is a great teacher.

MR. MERROW: Should that be a goal of a weighted student formula? Integration?

MS. ACKERMAN: To what?

MR. MERROW: Should that be a goal?

MS. ACKERMAN: You know, that's a very complicated answer.

MR. MERROW: Do want to give us a yes or no? (Laughter.)

MS. ACKERMAN: I won't give you a yes or no because I think it's very hard to put on the backs of schools this notion that we have to integrate schools when our communities are segregated. It takes more than just schools. We cannot just tell schools to do it. I think I have now become convinced that you must build great schools, quality schools wherever children live and let parents make that choice.

MR. MERROW: John Podesta, is that a goal of weighted student funding?

MR. PODESTA: I can't really add to what Arlene just said. I think that the question of trying to create quality schools where kids live is really the challenge.

MR. MERROW: A question right here, the man in the white shirt.

Q: Thanks. Good morning. Kevin Frank – (unintelligible). Under this plan, each student will be assigned a dollar amount based on their needs and characteristics that they can take with them in a backpack to a school of their choice. So if that makes sense to you, why can't that student take the backpack down the road to a private school or religious school in their community?

MR. MERROW: Ho, ho, ho. Dr. Paige?

MR. MERROW: Yes? Yes he can or no he can't.

MR. PAIGE: No, let's deal with the underlying assumption, which I think we need to get rid of. That is, how we divide ourselves around ideology – that that's the goal. The goal we're talking about is finding an effective way to educate America's children and so we need to get past the politics of this.

MR. MERROW: But I think he said the private schools are pretty good.

MR. PAIGE: I understand and I'm going to get to that. I'm going to respond to that. I think we need good schools, be they private or what you call or others might call public. But when you examine the constitution in most states, they don't dictate a structure. Most of them say that the students must be educated at public expense, it must be equitable, it must be fair and things like that. They don't say it has to be organized in this way.

MR. PAIGE: So if the student is educated at public expense, according to the constitution in the states, that for me is public –

(Cross talk.)

MR. MERROW: So it would be okay –

MR. PAIGE: – public responsibility. It would be perfectly okay if it's a good public school, a good charter school, a good traditional school – a good school is what we're trying to get because we want a student to have a good education.

MR. MERROW: John Podesta and Arlene Ackerman, I think he said – well, you heard what he said. Is this okay with you?

MR. PODESTA: Well, look, I believe in the public school system and I think that the problem with vouchers is they drain funds out of the public school system and leave most of the poor kids left behind. While I think that this approach to public school funding makes sense, I don't support vouchers.

MR. MERROW: Arlene Ackerman?

MS. ACKERMAN: Neither do I, for the same reasons.

MR. MERROW: Okay, we've got this man who –

Q: Steve Robinson, office of Senator Barack Obama. It seems to me that we already have ideas about some of these things, like for disadvantaged students we're suggesting that we have an equitable distribution of teachers, which we haven't really done. Or for students with disabilities we have IDEA, which we've decided not to fund.

MR. MERROW: And your question is?

Q: We basically know what to do. It seems to me that this is another thing saying we should do the right thing. But looking at the data that says we'll give 110 or 120 percent to disadvantaged students – is there something about this that encourages us to do the right thing more than we've said we were going to do in the past, but is still not done?

MR. MERROW: Or is this just more talk?

Q: Yes, that's the short version of the question. (Laughter.)

MR. REBELL: I think that comes up to the comment up in the front, which is that transparency and putting democracy into the system will actually put pressure on the political system to make change. And I think that you're from Senator Obama's office; he just introduced legislation relatively recently with these – aiming at trying to create these districts both in urban and rural areas that would experiment with some of this.

MR. MERROW: Well, certainly Michael Rebell would say, I think, that it is more talk. You already characterized it I think as a smokescreen that – Arlene Ackerman – is happening in a bunch of districts. Is this different from all these other –

MS. ACKERMAN: I can only speak from my own experiences, and we have had this very public debate for the last 20 years I've been doing it. So all I can say is I can control what's in my sphere of responsibility and what I've tried to do is to walk the talk. And that's all that I can do-- walk the talk, show the evidence, give evidence that it does work. I can't control these other discussions. There are parents here in D.C. and in San Francisco and principals who will tell you that it does work and that you can get results if you do other things with this.

MR. MERROW: Is this happening now because suddenly we're sensing we really are in trouble? We're not doing a good enough job for our children?

MR. PAIGE: I think we are in deep trouble. We're not doing nearly --

MR. MERROW: That's why it's happening now?

MR. PAIGE: That's right. We're educating children that might have been successful in our past, but --

(Cross talk.)

MR. MERROW: But what about his question? Is this just another --

(Cross talk.)

MR. PAIGE: I certainly hope not and I think a lot is going to be determined based on how you and other members of Congress, handle that in your office. That will play a big role in this. We invite you to examine this issue and be active about participating in it.

MR. MERROW: Okay. We have time for maybe a couple of more questions. Yes, ma'am? Whoever's got it. Stand up tell us who you are.

Q: Hi I'm Michelle McLaughlin with the American Federation of Teachers. Fund the Child talks a lot about getting rid of the practice of using average teacher salaries as part of weighted student funding. But I know in Cincinnati and some of the other districts that have adopted weighted student funding still use average teacher salaries. So is that really essential to this proposal?

MR. MERROW: That's part of that hold harmless that would seem to be able to gut the reform, isn't it?

MS. ACKERMAN: Well, it's a difficult issue. I know that San Francisco, D.C. and Seattle -- in all three of those districts we decided to fund schools according to average teacher salary. That is a debate that's still out there raging -- how do you do that in fair and equitable way so that you don't again disadvantage some students because they have more experienced teachers? We haven't found a way to address it, but it keeps

coming up. There are districts that are attempting to address this issue and it will be interesting. Oakland is one. Let's see what happens.

MR. MERROW: If you give the principals the pot of money, the principal can decide to hire cheap teachers. That's part of the teacher union's concern.

MR. PAIGE: Well no, the principal is going to try to hire good teachers. That's the whole key. Aside from being micromanaged into teachers being appointed there or being assigned there based on tenure and other issues like that, this would free them to make those decisions.

MR. MERROW: Okay. Yes, stand up a microphone will mysteriously, magically appear.

Q: I'm Carolyn Brown from George Washington University. Question: in terms of the weighted student formula, Title I, by legislation, is already supposed to go directly to the buildings. It doesn't always get there, there are ways around that. But it's supposed to. And the IDEA money does follow the child. It's allocated to the child specific to their disability. Eighty to 85 percent of the money in most buildings is salaries.

MR. MERROW: Question.

Q: So the question is, what difference is this going to make? The two largest categories that are supposed to, already go to the child.. Eighty to 85 percent of building budgets are salaries: you're looking at 15 percent of the money left. How is this weighted student formula really going to contribute to increased student achievement?

MR. MERROW: Who wants it?

MS. ACKERMAN: Well, again I go back to this is one of several strategies that have to be put in place. Actually with the weighted student formula in San Francisco, Title I is on top of this. So it's taking the dollars that come from the state and first allocating those to all the schools in a fair and equitable way; and then putting on top of that the other categorical dollars. The funds are not in place of Title I dollars—it's not that you get Title I dollars or you don't get other dollars. We start with the pool of money that we get from the state. And you're right: if 85 percent has to go to salaries, it is still going to go to salaries. The rest is not a lot of money, but it is more money and more autonomy than they've ever had. I think that it is the first step in addressing this issue of freedom to make decisions. Schools need the freedom and autonomy to make decisions, in a democratic way, over their own destiny of the school.

So it's not perfect because you don't start with enough money. I agree with Michael. But if we had more money, you'd have more money going in to the weighted student formula. But you don't substitute categorical funds: you put that on top of the local funds that are coming in to the district.

MR. MERROW: Doctor Paige, the federal – I mean, it's all tied up.

MR. PAIGE: First of all, it flies in the face of accountability when you dictate how the dollars have to be used. You can't hold the principal responsible for the performance of his school if you're dictating how the dollars have to be spent in terms of which teachers have to be hired and which teachers have to teach in certain environments. So to the extent that it allows for greater flexibility in the administration from the principal's point of view, it adds to the productivity of the entire school.

MR. MERROW: Maybe two more questions. Go ahead, you pick somebody. Who are you please?

Q: I'm Ruth Wattenberg, with the American Federation of Teachers. I want to go back to the beginning where Secretary Paige talked about the goal of having backpacks on each kid that relate to the child's particular needs. A poorer child would have a bigger backpack full of money and so on.

MR. MERROW: I need your question.

Q: Okay. But the proposal that's being put forward alters the money from the state and the feds that goes into these backpacks so the poor child gets more money from the state, more money from the fed, and the district allocates in a way that puts more money in to the poorer child's backpack.

MR. MERROW: So your question is will there be more money?

Q: With so much of the many coming from the local district, you're still going to have the poorer child with a smaller backpack. And so my question really is, does Secretary Paige's proposal ever get to the point about how you're going to make sure that the backpack on the poorer child actually is equitably stuffed? This is sort of where you started.

MR. MERROW: Your question is will it work unless – if the local district doesn't –

Q: The proposal only addresses the money coming from the feds and coming from the states and the distribution at the local level, but it doesn't address the fact that at the local level there is so much less money and resources in the poorer district. So my question is: how do you propose to deal with that? Rebell has a way of dealing with it and I'm saying how do you deal with that? How do you deal with the fact that in the end the backpacks will still be very inequitably packed?

MR. MERROW: It's the California story. So you need –

MS. ACKERMAN: You need more money.

MR. MERROW: You need more money?

MS. ACKERMAN: Yes.

MR. MERROW: We need more money.

MR. PODESTA: Michael's going to get the additional money.

MR. PAIGE: And we're all going to pull for him.

MS. ACKERMAN: I'm going to campaign with you.

MR. MERROW: I'm curious, how many of you in this audience think this is a not a moderately good idea but a really good idea? Give me a show of hands. Okay. How many of you feel differently now than you did at 9:30. Anybody change your mind? Anybody, change your mind? How about a show of hands? (Laughter.)

MR. PAIGE: Did you see Michael's hand?

MS. ACKERMAN: I'm having lunch with him, so I'm going to work on him.

MR. MERROW: These guys have been a wonderful, wonderful panel.

(Applause.)

MR. PAIGE: Let's give a round of applause for our moderator also.

(Applause.)

MR. MERROW: Thank you. And I think we also should give credit to the Center for American Progress for holding this event as well.

(Applause.)

(END)