Special Presentation:

"Finding Common Measurements of K-12 Effectiveness: The Case for National Standards, Accountability, and Fiscal Equity"

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CYNTHIA G. BROWN: Welcome. My name is Cindy Brown. I'm the director of education policy here at the Center for American Progress. We're pleased that you've joined us today for our discussion of national standards, accountability, and fiscal equity. We have four experts with us to lead this discussion and I will introduce them in a moment.

Public education is one of the most fundamental responsibilities of government. Responsibility in this country for education is shared by all levels of government: local, state, and federal. It will continue to be. But America is confronting current challenges that seem to call into question the relationship of these governmental responsibilities among all three levels. Our nation faces a newly globalized economy, rapidly changing demographics, and a lingering and widening achievement gap for minority and lower-income students. We are now charged with simultaneously closing two sets of student achievement gaps: one at home, the other on the international stage. But most agree that our progress in closing these gaps is much too small.

Since the Center for American Progress began a little over two years ago, it has focused on doing work that improves public education. Early on, it formed an education task force with the Institute for America's Future, and this past August we released a report called "Getting Smarter, Becoming Fairer: A Progressive Education Agenda for a Stronger Nation." The task force made a number of recommendations in four major areas including more and better use of learning time, high expectations for all students, highly qualified teachers in every classroom, and connecting schools more closely with families and communities.

This morning, we are going to consider one of these major recommendation areas in some detail. The task force made the case for and recommended that the federal government support the crafting, adoption, and promotion of voluntary, rigorous national curriculum standards in core subject areas. It also recommended national accountability measures and the initiation of a national conversation about not only the importance of standards and accountability, but also the need for paying sufficiently and equitably for public schooling. The Center's task force is not alone in calling for national standards and accountability. Less than two weeks ago, I heard former North Carolina Governor James Hunt forcefully call for them in a gathering here in Washington, D.C. And just yesterday, Diane Ravitch had an op-ed in the *New York Times* on this issue.

In your folder is a short paper we've prepared about these issues of standards, accountability and fiscal equity, along with recent data from the National Assessment of Educational Progress and state tests, that highlight the large challenge we are facing to improve student academic performance in our public schools. We have also included Ravitch's article and the executive summary of our task force report.

I'm putting on the screen a couple of slides to show what you're going to hear more about in a minute: the disconnect between reports of student achievement progress

by states on the national assessment as compared with state reports of progress on their own tests. The state reports are just not verified by NAEP. This slide and the next slide make this clear. They show the proficiency gains that states report compared with the changes in state proficiency levels between 2003 and 2005 as reported by NAEP.

We are joined this morning by a bipartisan panel of education policy and research experts who have dug deeply into the issues of standards, accountability, and fiscal equity. Their biographies are in your folders, so I will give them brief introductions. Each will make 10 minutes or so of remarks and then exchange commentary on each other's remarks. We will then open the session to comments and questions from the audience.

Chester Finn, known by all as Checker, is president of the Thomas B. Fordham Foundation and Thomas B. Fordham Institute and a senior fellow at Stanford University's Hoover Institution. He has been focusing on the reform of primary and secondary schooling for many years. He and his colleagues at Fordham publish a weekly electronic newsletter that is must-reading for many of us. He worked in various capacities for Senator Daniel Patrick Moynihan and served for three years in the Reagan administration as assistant secretary for research and improvement at the U.S. Department of Education.

Amy Wilkins is the executive director of Education Reform Now, a new organization dedicated to improved educational outcomes for low-income students and students of color. Prior to officially joining this organization a week ago, I believe – (laughter) – Amy was a principal partner of the Education Trust. She was deeply involved with the advocacy of key provisions of the No Child Left Behind Act, including measures to hold schools accountable for closing the achievement gap that separates low-income and minority students from others, to improve teacher quality, and to provide parents and other stake holders with more and better information about student achievement and teacher quality.

Kevin Carey is the research and policy manager of Education Sector, also a new education policy think tank located in Washington, D.C. He previously worked as director of policy research at the Education Trust where he published policy papers on topics including school funding disparities, college graduation rates, NCLB implementation and value-added methods of measuring teacher effectiveness. He also worked as an analyst for the Center on Budget Policy Priorities, where he conducted research on state education funding policies that target resources to low-income students.

Marguerite Roza is a research assistant professor in the Center for Reinventing Public Education at the University of Washington on the other coast. Her research focuses on quantitative policy analysis, particularly in the area of education finance and labor markets. Her very important recent research has investigated spending patterns among schools within urban districts, and her findings have shocked and disturbed many of us.

Let's begin with Checker.

CHESTER E. FINN: I find myself wondering if new education policy organizations should get tenure after two years or should we make them wait for five? (Laughter.) Or should we let the California voters decide that today? If you would like to snooze during the next 10 minutes, you could just read the excellent op-ed yesterday by my friend and colleague, Diane Ravitch, with which I agree entirely. If you want to stay awake, you can listen.

For four decades now, the U.S. has been struggling toward the right approach to academic standards for K-12 education. Oversimplifying, I would attribute this to a combination of the Coleman Report and "A Nation at Risk." The former said that we can't rely on fiddling with school inputs to boost school outcomes and the latter said that our outcomes were woefully inadequate. So if we can't rely on inputs and we need to do something about outcomes, the logical move is to spell out the outcomes we want and then work to ensure that kids in schools attain them. That had long been done for college-bound kids: New York Regents, AP exams, college entrance requirements, and so forth, but it had never been done for everybody and it needed to be.

This got more serious in 1989 at the Charlottesville summit where the governors and President Bush Sr. set national education goals for the Year 2000, one of which said that American students "will leave grades four, eight, and 12 having demonstrated competency in challenging subject matter including English, Math, Science, History, and Geography." The word they used was "competency;" today we're more apt to say "proficiency." But the question nevertheless immediately rose: who was to determine what constitutes competency in challenging subject matter in particular disciplines, and how would anyone know whether a kid or a school or a district or a state had gotten there?

Now we're 16 years into answering that question, and frankly, it's a muddle because education in the U.S. is fundamentally a state function. The president and governors basically took for granted that states would be where these things would be initiated and handled and that the federal government should help and encourage in various ways. Most other countries, of course, have national standards and national testing, but we don't and we never have, at least not through any entanglement with government. You could argue that the SATs and ACTs and so forth are a national test, but they are voluntary and they don't affect everybody. Keep in mind also that several other federal-style countries – important ones like Germany and Canada and Australia – also don't have national standards or national testing for their education systems.

So we embarked on this confusing state-federal partnership. Three things were bound to go wrong, and all three have. First, there was certain to be a huge amount of variability, inefficiency, duplication, and overlap in standards across the 50 states, which might not make much sense at the dawn of the 21st century when, after all, it's the nation at risk, not just Ohio or Georgia.

Second, Washington's efforts to "foster and encourage" were certain to make this process very complicated and confusing and they have. Third, the more pressure that got placed on actually attaining standards, via high stakes testing incentives, interventions, and other accountability measures, whether this pressure was exerted by states or from Washington – the likelier that those setting those standards would tend to dumb them down. And we all know that there are myriad ways by which that can be done; at least half a dozen ways, some of them visible only to experts.

So there were several abortive efforts during the 1990s to move towards something more like national standards and nationally approved standards. Bush Sr. put some money into the development of voluntary national standards by professional groups like the National Council of Teachers of Math. President Clinton proposed a national testing program based on NAEP. The Goals 2000 Act, also a Clinton initiative, included an ill-starred body called NESAC that was supposed to oversee and approve standards of states, but that proved so controversial it never even got appointed. All of these things left bad tastes in a lot of people's mouths and also left behind the assumption that national standards and national tests are just not politically viable in contemporary America.

Meanwhile, the National Assessment Governing Board, which I chaired for a while, did set a form of national standards by determining what it called achievement levels – basic, proficient, and advanced – for reporting NAEP scores. The NAEP doesn't report on units smaller than states. So in a sense we had national standards, but they didn't actually have any traction at the district or school or kid level.

So comes 2001 and No Child Left Behind and in retrospect a bad decision was made. It was probably all Amy's doing because she was central to the crafting of No Child Left Behind. (Laughter.) Instead of going for national standards in core subjects and then giving states flexibility as to how to get there and how long to take, states were instead admonished to set their own standards. But all of them were obliged to do this on the same timetable and to use the same mechanisms for ensuring that it happened. This was backwards and a race to the bottom was inevitable and we're now seeing it.

I don't have time this morning to present evidence, but I don't need to because Cindy and Elena have done that in the excellent paper they are handing out today, and Diane did some of it yesterday in the *Times*. The most vivid point, as Cindy has already said, is that a lot of states have obviously set their expectations far lower than NAEP's and they're taking advantage of myriad ways to finagle even those low expectations. This should be expected. It was going to happen, it is happening, and it probably will continue to happen. This is not a good solution to the nation being at risk. It's more like the old game of take the federal money but find ways to avoid making the changes that the money was supposed to induce.

So I conclude, as a lot of people have, that we'd be better off with national standards, at least in reading, math, and science, and probably also history, with states

and individual schools and districts free and encouraged to amplify and augment those standards and specialize in various ways, preferably within a regimen of school choice. But the core of the K-12 curriculum ought to be the same everyplace. And the test by which progress is measured with regard to that core should also be the same every place.

Conceptually, that's easy and that's where I am, but anyone who's serious about this must begin to grapple instantly with at least two tough questions that immediately arise. Here is where I don't entirely agree with the Center's task force, though on other points I found myself in far greater agreement than I expected to be.

First, who sets the standards? I don't have much use for the professional groups that bungled the job in the early '90s and I'm beginning to worry about the National Assessment Governing Board as well. Second, is it possible to have national standards and tests without in effect federalizing the delivery system? That's where we may not agree. My three years at the Department of Education left me hugely lacking in confidence that this can be run well from Washington, just in terms of competence, even if it were not also accompanied by grave constitutional, historical, and budgetary considerations.

Plenty of other challenging questions need to be addressed, too, and I'm not sure that the country today has the will to take this on, nor the political consensus needed to do it, especially in the couple of years between now and reauthorization of NCLB. But today's conversation is a pretty good starting point if only because it should help us recognize that the current NCLB approach isn't working well and probably cannot, so fraught is it with perverse incentives for states and districts and schools to do the wrong thing.

I once quipped that the political challenge of national testing is that Republicans don't much like national and Democrats don't much like testing. To a degree that's still true and it probably applies to standards as well as tests. In any case, standards and tests seem to come joined at the hip these days. Still and all, there just might be enough bipartisan anxiety about the country's future economic competitiveness and enough domestic concern about actually leaving no children and no groups behind that we might be able to begin to build a bipartisan base for tackling this challenge. First, though, I think we've got to work our way through those tough implementation questions about how it might actually work.

I'm done.

MS. BROWN: Terrific. Thank you.

Amy?

AMY WILKINS: When I was preparing my remarks, I left some time so that I could disagree with Checker, or at least, defend myself from Checker's remarks. Checker did a very nice history of how we got to where we are now, but in looking at

why NCLB depends on state assessments and state standards, it's important to understand that this wasn't created by NCLB. In fact, in Goals 2000, which Checker has mentioned, Congress gave states funding to develop standards and assessments. It wasn't NCLB that directed state assessments and state standards. NCLB built on what was there and, admittedly, we've now found there are a lot of problems with it.

In Diane's and Checker's analysis of where we are with national standards and the political problems we're face in reaching national standards, it's important to look at why we don't have them. Checker is right: you have Republicans who don't much like "national" and Democrats who don't much like testing or assessment. That says to me that if we want to go in this direction, we might think about moving in another way.

In the ADP project, Checker, we might be seeing a glimmer of hope towards moving towards national standards. The American Diploma Project, in which the Education Trust and Fordham are partners, is working with governors around the country on high school issues. What we're finding, Checker, and you can correct me if I'm wrong, is that an increasing number of governors are saying we need to have common high school exit standards. There may be a common standard coming up from the state level and a demand from the governors coming more quickly than we will get from going straight to Congress. The American Diploma Project offers something really important here. If you begin with national high school exit standards, you would then allow states to map backwards their K-12 standards down from high school exit exams. The other important thing here is that the political case can be made for common high school exit exams more easily, perhaps, than in the lower grades because it is at the point of high school graduation where kids are unleashed into the more competitive world of higher education and work. Kids begin to migrate city to city, state to state and the argument for local begins to go away a little bit.

It would draw higher education into the conversation a bit, which is badly needed. It would also begin to energize the high school conversation in new, important ways, because as you look at achievement data across grades you see that kids crumbling starts in eighth grade. They're on the floor by the time they get to high school graduation. In terms of NAEP, we don't even have state NAEP at the twelfth grade level. We don't know what the various states are doing at twelfth grade and a conversation about a common high school exit exam would shine some light on what is and is not happening in American high schools. So one way to think about approaching national standards is to focus at the high school level.

All of that said, I wasn't supposed to talk about national standards. I was supposed to talk about accountability. As we move towards national standards a big, driving force is the excellence movement and the idea that we have to do better. We can't, as we move into that conversation about better and excellence, forget the equity question. So as we move to a national system of more accountability, the gap-closing elements of NCLB need to be firmly implanted in any new national accountability system, and the disaggregation of data that NCLB requires needs to continue.

We can think about value-added systems, but as we do we need to think about value-added systems that demand accelerated growth for those groups who have traditionally been left behind. A simple value-added system where you do a little better than you are doing now will never close the gap. We have to keep focused on gap-closing as we move on to this.

The other important thing to keep in mind is that NCLB does attempt to hold schools and districts accountable for student achievement. The big player missing from the NCLB accountability system is the state government. There are no stakes for state government in NCLB. The consequences fall on schools and on school districts, and that's a gaping hole that we need to start to close. As we move into the conversation about national standards, we need to move the state role front and center and begin to hold states accountable for ensuring that all kids achieve proficient levels in core subject areas.

But as we talk about holding states accountable, the federal government needs to provide states with the tools that they need in order to hold schools and districts accountable and to do their own part in making smart policy and fiscal decisions. Right now as you look around the country, the tool that seems most absent is good information and data management systems so that states and districts and schools actually know what's happening. The achievement data systems and the systems for tracking teachers (i.e. who is teaching whom) are a disaster. As we move towards NCLB reauthorization, we really do need to get very serious about information management systems. Other fields like healthcare have gotten much more serious about information management. We in education need to be serious about it and need to teach people how to use data to make smart decisions. You can't have a good conversation about accountability without having a conversation about data management and information management systems.

That might be all I have to say to you this morning. Thanks so much.

MS. BROWN: Thank you, Amy. We didn't think it made sense to talk about standards and accountability without talking about the fiscal inequity situation in this country. It runs up and down the system. We've asked two people to share with us their work and thoughts about fiscal inequity. We will start with Kevin Carey who's going to talk about interstate inequity.

KEVIN CAREY: Thanks, Cindy. I'm glad to see that we're talking about national standards. The logic of having every state make decisions on standards and assessments on their own terms and the inefficiencies inherent in creating different tests are going to lead us in this direction inevitably. I think it's not a question of if, it's just a question of when and whether we do it well or not well. If we do this, it's going to highlight issues of state capacity. States don't all have the same capacity to provide education to their children and if we hold them all at the same standards that will become more and more apparent.

I’ve put a few numbers up here on the screen. If we look at just the variation among states spending, we see it varies by about a ratio of two and a half to one from about $5,400 in Utah to over $13,500 in New Jersey. This is state and local dollars; it doesn’t include federal dollars, so it’s a big range in terms of how much money states spend on their students. How much money states spend on their students is really a function of two things: one, how much money they have, and two, how much of their money they choose to spend on their schools. How much they have varies by not quite as much, a little less than two to one but by a lot. We see income per capita of $45,500 in Connecticut to a low of $24,400 in Mississippi. So, again, there are huge differences among the states in fiscal capacity.

In terms of how much states choose to spend – what I term as education effort here, there are different ways to measure it. One way is simply to divide that first number by the second number: per student spending divided by income per capita. When you do that you see a significant variation, maybe not quite as much, from the low of 20% in Tennessee to 34% in Vermont. Spending effort is really also a function of two things. One is how you prioritize education in terms of what you spend public money on. Do you prefer education to public safety or to transportation or to healthcare? Then the second and probably more important question is how much do you prefer spending your money on public things as opposed to private things?

States make very different decisions about the level at which they choose to tax themselves. It is certainly not a coincidence that Tennessee is last on the list. I don’t think it’s because people in Tennessee are particularly indifferent to education. I think it’s because Tennessee doesn’t have an income tax, and so they’ve chosen to fund their state government based on a very high sales tax, which is declining. The base of sales taxes is declining as a percent of the economy as more and more of the economy shifts to services. That’s really what leads Tennessee to its place on the list.

Finally, as a little context, the issue is not only a matter of what are your resources to provide for education; the issue is also what kind of challenges do you have in providing education? They are obviously related; we see that the difference in the child poverty rate is four to one: 28 percent in Arkansas, only 7 percent in New Hampshire. So we have groups of states that have far less money and far more low-income students to educate than others, and we have to be mindful of that as we move ahead in this conversation around national standards.

This raises the question of what do we do about it? There’s no way to equalize wealth among the states. It can’t be done. It shouldn’t be done. There are good reasons these states have different amounts of wealth: reasons of geography, reasons of comparative advantage. States make different choices that impact their wealth. I would argue whether or not they invest in a good school system is probably one of them. So there’s no way to equalize wealth among the states. The only thing that leaves us with is some kind of federal policy or federal remedy.

There are some well established principles of fiscal federalism in cases like this. There are really two ways that the federal government generally goes about treating the states. It either treats them all the same with a federal program like Social Security – your Social Security benefits are the same no matter where you live in the United States – or it actively tries to redistribute money from the wealthy states to the low-income states. For example, under the Medicaid program, which has split federal-state responsibility,, wealthy states pay half of all Medicaid costs; the poorer states pay only about a quarter. There is a conscious decision to provide more federal resources to the states which have less resources of their own.

This sometimes happens in education funding, but not always. The Perkins Vocational Education program works this way: the amount of money that states get is in inverse proportion to their poverty and their wealth. The federal government provides more money to the states that have less money.

But in the biggest state education program, the Title I program, it's actually a little more complicated than that. There are really two issues at stake in Title I in terms of wealth and poverty. One is how do we treat different kinds of districts? Traditionally, Title I was very poorly targeted. It spread a lot of money around to almost every district in a way that I think really blunted its impact. That is changing. The Congress, as it has implemented the No Child Left Behind Act and put a substantial amount of new money into Title I, has chosen to put virtually all of that new money into what it calls the targeted and concentration grant and incentive grant formulas. These are formulas that are far more targeted toward high-poverty school districts than the old formulas.

This is an ongoing act of progressive and wise fiscal policy for which the Congress does not get enough credit. It's something that is generally un-discussed because I think it's something few reasonable people would argue with. But I suspect it will actually be an active issue in the reauthorization of NCLB. The states that are not getting as much money from these target formulas will probably try to take some of it back. It's something that we should recognize and try to do more of. Those formulas all target money to districts; they are all based on how many low-income students districts have.

The other issue is how does Title I target money to low-income states? Actually the answer is not well at all. The amount of per-student funding that Title I gives to states is based on how much money states spend. States that spend more, get more. There's a cap on it, so that no state can get more than 50% of what the lowest state gets. The spread between the highest amount of per student Title I funding – $3,911 – is exactly 50% higher than the lowest, which is $2,607 according to recent figures.

If you look at the states that are getting the highest amounts, you see Alaska and a whole group of wealthy, East Coast states. If you look at the states that are getting the lowest amount, it's a mix-- Alabama, Arizona, Arkansas. Florida is a little more wealthy, but it's more of a special case; we mostly see less wealthy states getting the least. So the Title I program provides more money to states that have more money and it provides less

money to states that have less money, and there are reasons for this. I'm going to flip to the next graph. And looking at this, I don't expect anyone to be able to read this. (Laughter.)

Each of those three columns that you see are sorted in exactly the same order. They're sorted from top to bottom in terms of how much Title I money per student each state gets. The first graph, the middle column, that's per capita personal income. The states in green are the top ten – the states with the highest amount of per capita personal income, and the states in red are the ones with the lowest amount of per capita personal income. What we see is that the Title I program provides more money to the green states than to the red states. It provides more money to the wealthy states and less money to the least wealthy states. When we go to the middle column and look at poverty, we see more or less the same pattern: Title I provides more money to the states with the least amount of poverty – states like Connecticut and Delaware where the poverty rate is about 10% – and less money to the states with the highest degrees of poverty, states at the bottom like Arkansas and Arizona where the poverty rate is up over 20%.

I would argue that this is essentially backwards. This is the opposite of the way it should work. However, we should also look at the third graph, and what it shows is that, interestingly enough, Title I does provide more money to the states with the highest degree of funding effort. The states can choose to spend a greater percent of their resources on education. We do need to keep this in mind because we don't want to provide incentives for states to shortchange education with the expectation that the federal government will, reacting to that, come in and make up the difference.

I would say that as a matter of principle a smarter federal fiscal policy for Title I would be this: start by essentially flipping the distribution on its head. Start by giving more money to the least wealthy states who need it--they have less, and they have more poor students--and giving less money to the states that have more and have fewer poor students. Then make an adjustment for effort. If you had a state like New York, which is wealthy, but also has a high degree of effort, they'd lose money because they're wealthy but they'd make some of it back because they choose to spend a lot on education. If you had a state like Alabama, which is essentially the opposite, not very wealthy but also low-effort, those two would balance out. And if you had a state like West Virginia, which is a low-wealth state, a high-poverty state, but also a state that spends an unusually high percent of its money on education, it would really come out ahead. I would say that's the state that probably needs it and that's the state that probable deserves it the most.

This would be a smarter way to attack money. I think that as the federal government chooses to assert its role more aggressively in education, which I think it should, it really also has a greater responsibility to be wise in the way that it distributes resources. When it was just a minor player and it wasn't spending much money, I guess it could spend it however it wanted, but as it becomes more central to the conversation it both has obligations probably to provide more money, but also to provide that money in a way that makes more sense.

MS. BROWN: Thanks, Kevin. I've been working on Title I a very long time, and that was probably the most enlightening presentation I've heard on how Title I funds are distributed in a long time– very troubling. Thank you.

Now, as if that wasn't troubling enough, we have problems within states. What Marguerite's research particularly has shown us is that there's really some pretty serious problems within districts, including high-poverty districts, in terms of how money is distributed. I'll let her explain.

MARGUERITE ROZA: I'm going to take a look inside of states, not across states the way Kevin did. But first I want to talk briefly about one type of spending inequity that you're probably very familiar with--spending differences that occur across districts within a state. After about two or three decades of legal activity we have seen that states have taken on a larger share of the responsibility of funding education and we see much greater equity across districts within states. But there's a new force in play, which is that states are limiting the amount of spending that's taking place. Since they're taking on a larger share of the dollars, there's some tendency to cap spending. We don't see these really high spending districts anymore. There are different ways that states have capped spending. And that has given rise more recently to adequacy lawsuits where the challenge is asking states to step up to the plate and spend more money so they can adequately fund districts for what they're trying to do in this current day and age.

But I want to move off that and talk about a different kind of spending pattern, one that I've been researching a lot and that's also incredibly important in this era of reform--spending differences across schools within districts. These are spending patterns that generally fly pretty far below the radar screen, which is a problem because there are a lot of reforms right now that hinge on the equitable distribution of resources across schools. No Child Left Behind, which has pushed testing and accountability down to the level of the school, has given rise to a lot of school-based reform efforts including a focus on leadership at school levels, decentralized decision-making, and of course choice. All of these assume that schools are getting a rational and equitable allocation of resources. What I want to show you is that they're not.

This is just one slide. I have thousands of these kinds of slides. I decided to pick on Cincinnati because this is data from just before they aggressively did something about their spending patterns, and not very many districts have. Each data point is a school within the Cincinnati public schools. Some schools on the low end get just under $4,000 per student and schools on the other end in the same district get over $10,000 per student. These were just raw dollars.

We've done this analysis lots of different ways and shown how non-targeted resources are distributed and how all resources, once you've taken into account student need, are distributed. Any way you slice it, it's still the same sort of pattern: huge variation in spending across schools within a district. These inequities have nothing to do with access to resources. These are simply decisions that district leaders make about how to distribute the resources they have among the schools in their districts.

What this data has been showing is that it's no longer what district your child attends-- what district you live in for what kind schooling you're going to get; it's what school within the district that you go to. The patterns that we're finding are not exactly random. What we're finding is that the patterns have a lot to do with poverty and with race, particularly in urban or larger districts.

In the middle column, which are schools in the highest poverty quartile of a given district – I pulled five districts here – you can see that four out of five schools in the highest poverty quartile get fewer non-targeted or non-categorical resources. I did these on percent of the average for the district. These are resources that are supposed to be distributed evenly across schools. These aren't the Title I dollars or dollars that go out on behalf of non-English speaking kids or anything like that. They are just the basic education dollars.

We're finding that these patterns are pretty consistent. Dallas is an exception, and it's under court orders, which is probably the reason we're finding a difference in its spending pattern. But districts are generally not addressing these patterns. A few have, with student-based allocations, and I'm going to talk about those in a second. But the main trends are based on poverty, race, and one other, which is harder to quantify. When you go talk to district leaders they can talk about it. It is political influence: which principals in a district have more power and know-how about the system and how it works and which board members can exert more influence to get programs placed in their schools, etc..

Another large factor that helps explain some of these spending differences is salaries. This is what happens when teachers are not evenly spread throughout a district, which we're finding is so often the case. Some schools are staffed primarily with more junior, less-experienced teachers, and other are capturing a higher percentage of the more senior teachers. Since teachers are paid largely according to their experience, in Denver for example, schools on the low end have teacher salaries averaging $35,000, and on the other are schools averaging over $50,000. So that's part of the problem.

While this issue has gotten a lot of attention lately, districts by and large are not addressing it. Denver is one of the very few places that is aggressively trying to do something. It has just approved a new teacher compensation system that would provide some incentives for teachers to work in some hard-to-staff schools. But other than Denver, this is not normal practice. Oakland is another exception that is trying to allocate dollars to schools and then let the schools keep whatever is left over after they hire teachers and pay them the real salaries that they can. But even for those two districts we don't know how that's going to play out in terms of the distribution of teachers. It's an issue that has to get addressed soon, and we need some models of how to do it.

The last slide shows that it's not only salary differences that are causing the patterns that I've been talking about. This is the percent of the spending gap in affluent and poor schools that is attributed to the salary differentials. The Dallas data point is

confusing, and I can explain that later. But in the other four, the spending gap ranges from the two districts with 40% to Houston with 26% and Denver with 82% that is caused by salary differentials. But what's really interesting about this chart is the percent not caused by salary differentials. District leaders, parents, and policymakers look at this and say, "so it's not just the salaries? They're really sending more teachers and more programs to the wealthier schools? And the answer to that is "yes." So it's very confounding.

What we've seen is the explanation for this, from sifting through interview data and that kind of thing, is that there's a tremendous amount of pressure on the system to equalize everything, or to make sure that the wealthy schools get at least what the high-poverty schools do. So when you have federal dollars that come into the system and try to give a leg up to the high-poverty schools, parents at the other schools look at that and say, "well, we need that too." Then the districts find a way to fund similar programs at those schools. You don't end up ever having federal dollars come in and do something different for the high-poverty schools.

We need changes in districts to address this and make all of these other reforms more doable. Student-based allocations are one solution, and that's starting to get more popular in districts. Several districts are trying it out, and we are seeing a trend. This is when dollars and not staff are allocated to schools on the basis of a student-based formula. But what we also need now are aggressive policies and ways to think about redistributing teachers in districts through incentives or something else. For the two places that have done this, we don't have any data yet. We're in a holding pattern. We don't know what's going to happen.

The last lever is really Title I, because Title I, as Kevin said, is a huge chunk of money and it's a real lever that the federal government can use to force districts to clean up their allocation patterns. Hopefully a possibility. I'll stop there.

MS. BROWN: That's terrific. Thank you very much.

I want to give our panelists a chance to comment on each other's presentations, and I also want to throw out a challenge, particularly to my two colleagues on my right – your left. I don't see how we can move forward on discussion about standards and accountability without addressing some of these fiscal issues. And how are we ever politically going to educate the public about it, sell it, and then sell the folks down the street in Congress?

MR. FINN: It's hard to do in a democracy. (Laughter.) An acquaintance called up yesterday, by coincidence, whose kids are in a fourth grade public school in an affluent suburban district near here. His kids have been identified as gifted in math, and they are being given the option of accelerating in math in fourth grade. He wanted to know whether this was a good idea. I said, probably. But then he went on to ventilate that his real objection was that the affluent suburban school system was not putting enough extra resources into the gifted program for upper middle-class fourth-graders, and

that he was worried that to accelerate his kids without additional resources being spent on extra math teachers for this school would lead to something not going well.

My point isn't his tale. It's that parents want what they regard as the absolute best for their kids, and that normally leads to what Marguerite implied: "if there's more to be spent on those kids, I think more should be spent on my kids." To distribute funds other than that in a democratic government system is going to turn out to be very, very, very hard to do, which is exactly why the problems that Kevin and Marguerite documented have arisen.

MS. WILKINS: I think Checker is very right. I would just amplify what he says about his friend with the fourth-grader for whom he was considering acceleration. When the conversation is about more money for "those kids" and the desire to have more for "my kids"; the people who want more for "my kids" are the politically-powerful people. You're having not just a conversation about self-interest but a conversation about self-interest where the people with political power and influence feel threatened. Getting them to let go a little bit on behalf of the kids who have very little political power and influence is a terribly hard job. We got here because of these politics, and how you undo these politics is a huge lift.

MR. FINN: Does that cheer you up?

MS. BROWN: Well, do you think Tom Friedman with his best-seller is starting to educate the American public about some of this?

MR. FINN: There's a funny kind of cognitive dissonance in the American public such that at one level we can identify a national problem and a national need, and be in agreement with Friedman. At another level, we're looking at our own kid's fourth-grade classroom and saying, "is everything going on in that classroom that I would like to see going on in that classroom, and if not, why not, and let's do something about that problem." I don't think very many people, as Amy in effect just said, are able to make the intellectual leap from the Tom Friedman analysis of the challenges facing the nation to the problems perplexing my very own fourth-grader.

MS. BROWN: Do you have any comments on this?

MR. CAREY: I had a question for Mr. Finn. You talked about Diane Ravitch's op-ed yesterday. In her op-ed she called for national standards, assessment, and curriculum. The third strikes me as somewhat of a different question, and I wondered if you agreed with that.

MR. FINN: Where do standards leave off and curriculum take up is the question. I rather doubt that Diane had in mind that every 11th grade U.S. history teacher in the country would be teaching from the same lesson plan on November the 8th. I rather suspect that what she had in mind is grade denominated standards for what a kid should know at the end of 11th grade U.S. history accompanied by some more detail that might

be useful to teachers in equipping the kids with that knowledge, but not with the same textbook or lesson plans. I think if you administered a secret poll to everybody in this room and asked them to write down in one sentence their definition of the word curriculum, you would find no two people writing down the same thing.

MS. BROWN: I wanted to cheer up a little bit from this –

MS. WILKINS: Yeah, it's a sad conversation. (Laughter.) Kevin talked about what happened in the last reauthorization of Title I and the increased targeting of it. It's one of the few happy bipartisan stories of Congress recently in that Mr. Boehner on the House side and Mr. Kennedy on the Senate side took very seriously the need to target more resources toward poor kids.

Occasionally you do find moments when you can shift resources toward poor kids, and we found one of those moments in the NLCB authorization. The problem is what Marguerite identifies: it's like whack-a-mole. You get the federal funding to be a little more targeted and then there are the parents at the local level who say, "well, they're getting that federal money; we've got to do something about the local money so our kids get more."

There have been movements, and I think there'll continue to be movements to try to ensure that poor kids get their fair share. But the system seeks equilibrium and the equilibrium is for the money to go to the more affluent and more powerful places. So you jump ahead a little bit and then you have to be vigilant; and you jump ahead and you have to be vigilant. It's never going to be a place where we will reach static equity. It's always going to be a challenge of trying to shift the balance and then keep the balance shifted.

MS. ROZA: I'd like to add a little bit about that. The way it is right now with districts is that they allocate resources primarily on the basis of the system-based, staff-based allocations and then through negotiation, often between the CFO or a budget leader and a principal. That process for allocating resources invites political influence. It needs to go. If we go to an allocation system where dollars are allocated on the basis of student need, political influence can't affect it in the same way. It's all transparent; it's laid out there; and no parent can come in and say, my wealthy child deserves more money than that poor child across the district. If you lay it out like that, you have an automatic way of defending the district against some of the political forces. I think that's a real strategy that the districts need to take.

MR. FINN: We danced quickly from a discussion of standards to a discussion of capacity, and so far we've let capacity be defined in terms of dollars. It's very important to put on the table another capacity issue which relates to any kind of standards-based reform, whether it's national or state-driven. That issue is the human capacity or competence to fix things that aren't working.

One of the things that NCLB is smoking out is the incompetence of state

education departments and local districts all over the country to actually solve the education problems that their schools have. In many, many cases, that is not a function of their lack of money. There are districts and state education departments around the country that have quite a lot of money – even at the high end of the spending scales that Kevin put on the screen – that are completely inept. The Connecticut State Department of Education might be a good example. They've been doing a perfectly dreadful job, but look at all the money they're spending. And what reason do we have to believe that transferring more money into the Connecticut State Department of Education, or the Cincinnati school system for that matter, would cause them to do a better job of repairing broken schools and choosing better curricula, hiring better people and deploying their resources more effectively? I don't agree with the implication, if it's that, that a shortage of money is equivalent to the capacity problem.

MR. CAREY: I don't think anyone believes that it's only a money issue or only a competence issue. Anyone reasonable can look at a lot of places and say, these are underfunded, low-performing, less-than-competent schools. There are places like that all over. We're sitting in the middle of one right now. Well, maybe not underfunded.

MR. FINN: Not underfunded; that's what I'm saying.

MR. CAREY: Okay. But you talked about hiring. Connecticut should get less money. But if you go to some of the southern states, like Arkansas for example, they need more money to recruit teachers. Their teachers are being hired away by other wealthier states. It's completely obvious. For some degree of equity in terms of hiring staff, you can't say that money is not an issue. Now, once teachers are hired, do they train them well, do they put them in an environment that gives them the most opportunity to teach, do they pay them in a way that incents them to perform? Probably not. We need to fix all those things too, but if they never get there in the first place then they can't do all of the other things.

MR. FINN: I agree with you about Arkansas, but come back to Connecticut for a second. They have a very wide achievement gap between their black and white students, and they've clearly not been wanting to change to accord with the NCLB expectations even of annual testing of every grade. The main source of the lawsuit that Connecticut has filed against NCLB is that they test in alternate grades and don't want to test in every grade. They don't want to change their ways. But the ways that they don't want to change have yielded a wide achievement gap. This has to do with policy and politics and leadership and administration and competence and philosophy; it does not have to do with dollars. So what is National Standards going to do to solve that problem?

MS. WILKINS: If you take wealth and effort together the way Kevin does, then you do have to add some incentive on the side for good behavior in addition. These fiscal factors should be added as we think about Title I and how to make it a more powerful lever for change. Kevin seems to have two of the three pieces, but I would add a third-- either incentives for good behavior, as in you're closing a gap, either an achievement gap or your spending gap between high and low-poverty districts or high and low-poverty

schools. It's on the good side or the shrinking side, i.e. the achievement gap is narrowing. There needs to be a funding stream that is an incentive for getting the results that we're asking for, not just equity in the dollars.

MS. BROWN: I agree with Amy. I think we have to work on this incentive piece. It's interesting that Connecticut is bordered by Massachusetts, which has made good progress. I don't think you can make the same competency criticism of Massachusetts that you make of Connecticut, at least if you look at where they are on NAEP scores. They're, I think, the highest-performing state that has a significant proportion of low-income and kids of color, and they've recognized as having a very good state test. A number of their districts have worked hard on improving their competency. They don't look that different in terms of their basic income per capita. I guess Connecticut is wealthier. But leadership does matter. We don't have a very good handle on how we set up incentives to get it.

One reason I wanted Amy to talk about accountability in states is because I spent 15 works working for the Council of Chief State School Officers and got to see the great variation in states pretty up close. One thing always amazed me during the '90s. State legislatures appropriated really significant increases in money for education, and gave their state agencies a lot more responsibility, as did the federal laws of Goals 2000 and Title I reauthorization in 1994, to say nothing of No Child Left Behind. And yet, these legislatures cut state education agencies' budgets at the same time. There were big political fights about getting money to the classroom level, which is fine, but there's a capacity issue up and down the system that did not get attention. I agree with Checker that you just can't throw money at these things. You've somehow got to have an incentive system with accountability that involves not just punishment, but rewards as well. We need to devise ways to do that, which gives those of us here a lot of work to do.

(Laughter.)

MR. FINN: Full employment act.

MS. ROZA: For policy wonks, right.

MR. FINN: Yes.

MR. CAREY: We might need to start some more organizations.

MS. ROSA: Yeah.

MS. BROWN: There are a lot of folks in the audience who also have some creative and important thoughts and questions. I'd like to open it up to you as well.

Jim?

Q: Jim Kohlmoos of the National Education Knowledge Industry Association.

I'd like to ask Checker about the politics of national tests. As I recall, Lamar Alexander proposed a national test when he was secretary of education, and during the Clinton years towards the second half of the second term there was a big push to introduce a national voluntary test. On the Hill it was Bill Goodling that trashed the idea and eventually pulled money out of it so nothing could move forward. I'm trying to figure out what's the politics of national testing now? Where are people coming down and how could this ever move forward?

MR. FINN: I'm not sure how it can move forward. I think Diane made the point yesterday that Lamar Alexander's version of national testing was defeated on the Hill by a Democratic Congress and the Clinton version of national testing was defeated on the Hill by a Republican Congress; that each administration had a version of this and each administration's version went down in flames thanks to the other party. I'm not sure either version is perfect, but that's not really the point. You're asking about the politics, not the fine tuning. I don't know – if you roamed around 535 congressional offices today and said, are you for or against national testing, I rather suspect that you'd probably get about 50 yeses, affirmatives, and about 485 nos. So this isn't going to happen without a lot of people changing their mind, and that doesn't usually happen without a lot of leadership from somewhere, a lot of exhortation and imprecation and explanation. I don't know who's going to do that. I guess the Center for American Progress. (Laughter.)

MS. BROWN: With some partners. Joan?

Q: Joan Snowden from the American Federation of Teachers. We're very interested in moving this agenda, and stuck in the same rut that the conversation is taking. I remember when NAEP got started, and in order to get a single state to even consider having any of their kids tested, they had to swear that there would be no way ever to compare one state to another. I remember being at ETS when they decided to do a state NAEP, and I thought well, you're drinking Kool-Aid here, but sure enough they got five states the first year, I think seven states the next year, and now here we are with all states. I think that this is possible because I've seen some movement. Now, this is in 40 years, so I don't think it's going to happen by the time of the 2007 reauthorization. But I do think that if you get enough conversation and enough leadership you can at least have people challenging why not.

MR. FINN: With respect to NAEP, there's been even further progress than what you said because there are now some big cities that have gotten the right to use NAEP to report at the district level. If all districts were permitted to use the NAEP test if they wanted to, you'd certainly see some signing up to do so. I don't know how many or how fast; it might cascade and balloon. That might be a very interesting thing to try to do: give permissive use of the NAEP test at the state or district level – assuming they have confidence in the NAEP test, which is another topic all by itself.

Amy raised the American Diploma project as another example that has nothing to do with the government and nothing to do with NAEP. Basically could you, without

reference to the federal government, reach some kind of multistate (it wouldn't be all of them) agreement on what an exit standard might look like and how to measure it, and without having to push this through Congress? Or maybe ask Congress to fund a pilot project for interested states that want to participate in such a thing? That's got promise. Backward mapping from the high school exit point, as Amy described, certainly has promise.

MS. WILKINS: Can I just sell my point a little more? One of the most important things that's happened for high schools in recent years is the governors agreeing to a common definition of a high school dropout. That's huge. We tried to do that in NCLB. We couldn't get Congress to do it. The governors said, "We will do that ourselves." We have to think about this national standards thing and the difficulty of the politics in Congress and an appetite that seems to be being created by the American Diploma project. We should go to where the appetite is and maybe not take the fight to the place where we keep losing.

MS. BROWN: The woman in the purple blouse.

Q: Sara Sparks, *Education Daily*. Do you see any cohesiveness or move toward cohesiveness in the state accountability systems and accountability plans as they grow and evolve over time. Are they becoming more like each other or do you see them just veering off even more?

MR. CAREY: I don't know the answer.

MS. WILKINS: The broad outlines of what the state accountability systems look like are drawn in the NCLB statute, so they can't really vary too much. There are common things; that the bar has to raise every three years. Where the variance comes is, as Checker talked about, the lowering of the standards or not. It is in that and the assessments and the standards, which were in the states before NCLB and remained in the states after NCLB, that you get the real playing around.

MR. CAREY: I do have an answer. Most of the variation among states is at the secondary level, because NCLB does a bad job of holding states accountable for secondary education. There's one test. It's in the 10th grade, which normally means that it's 8th or 9th grade standards. So we're not that far from an accountability system that essentially tests high school students as to whether or not they know what they need to start high school, not what they need to know to finish it. There are states that have been doing the latter for a long time like New York with the Regents and Virginia with the Standards of Learning.

I think there is actually potential for an interesting conversation about holding high schools accountable for outcomes that don't happen in high school. There are states that right now can tell you, for example, exactly the percent of high school students who go to college, where they go to college, did they need remediation while they were in college, did they eventually graduate from college, where did they go to work, what field

were they in, and how much money do they make. This all gets to investments in information systems that Amy talked about. It really makes a lot more sense to measure high school success by the success of its graduates once they leave. I think bringing that kind of information into the accountability conversation would be worthwhile.

MS. BROWN: Susan?

Q: Susan Frost. In talking about secondary fiscal equity, Kevin and Marguerite, did you look at what is happening in terms of Title I for middle schools and high schools? Our understanding from the U.S. Department of Education is that about 85% of all Title I funds, by district choice, are going to elementary schools, maybe 5% to high schools, and 10% percent to middle schools, because we have told them as a policy matter to invest in the early years, and they are. That's the good news. The bad news is as we look at the NAEP scores and the flat 8th grade reading scores and what we think in 12th grade are flat or declining, we don't really have a recourse in terms of Title I that we do have for elementary schools. Have you looked at that?

MS. ROZA: I have found this exact same thing that you're saying, that most districts are choosing to put the vast proportion of their Title I funds in the elementary grades. There's a different rationale when you talk to districts. Some say that poverty is more concentrated when you're talking about elementary schools because they're smaller. You'll have a really high poverty school and then maybe a lower poverty school combined together for high school and the high school doesn't have quite the same sort of poverty percentages that you would have in elementary schools. It's also hard for districts to find out how many students are in poverty at the high school level – the measure for free/reduced lunch is not as good an indicator at the high school level as it is at the elementary level – students just don't sign up. So we've seen both of those reasons.

At an elementary school the systems are more able right now to take Title I dollars and do something significant with them. But the way we've organized high schools into larger settings where students elect for different courses and move through a system, schools are not, as currently organized, readily able to take Title I dollars and make a difference with them. This needs to be addressed. Title I could have a large impact on high schools, but districts themselves are not ready to think about it that way.

MS. BROWN: You had a question?

Q: I'm Carolyn Brown. I'm from George Washington University in the Department of Education. I have a question for Marguerite Roza. You mentioned that you thought that student-level funding may be a possible solution for the inequity at the school distribution level. Did you look at any of the student-based funding districts and was there a difference?

MS. ROZA: Yes. Some of the data that I showed you is from right before a district adopted student-based allocations. We've studied both before and after in three

districts where they've adopted student-based allocation, and the improvements in equity are dramatic. Basically, as soon as you reign in all of the dollars and reallocate them according to a student formula, they're more evenly distributed. I can say that with certainty.

There are a lot of variables that will determine how much of an impact it has on equity. For instance, how much of the district's pot of money goes into the formula? Sometimes they hold back as much as 60% of the dollars outside of the formula and allocate those in other ways. Some are for transportation and food services, but some of those are for other critical services. So what portion of the money goes in the formula is relevant.

There's a lot of discussion right now on what choice districts make about the weights that they select for different student needs. How that plays into equity is confusing. For example, we look for how equitable the bilingual ed money is distributed among students that do not speak English, but what we don't look at as much is what is the right amount of resources to put into that bilingual ed pot. The portion of resources that districts choose to put into things like bilingual education vary dramatically across districts. You have one district where they give a 6% increment to students who don't speak English in a weighted student formula and another one that gives a 38% increment. So it's a huge variation and leaves open those questions.

MS. BROWN: Phyllis?

Q: Phyllis McClure, independent education consultant. Before I make the point I rose to make, I want to say that the districts do not have a choice of how they distribute their Title I money. Title I money is allocated in rank order by percentage of children from low-income families. If you have a smaller attendance area for elementary schools, the elementary schools are up there on top, with the exception that if the secondary school is over 75% low income it gets funded. I wanted to make that correction.

MS. ROZA: But a district can make the decision to only fund elementary schools.

Q: Phyllis McClure. They can fund only elementary schools, but they don't have unfettered choice of where to spend it.

MS. ROZA: Right. They have to rank them, right.

Q: Phyllis McClure. Cindy made the point about how you would educate and inform the opinion-makers of this country or the people who influence opinion, like Tom Friedman. And I would like to make a recommendation that the five of you hold a briefing for Tom Friedman and people of his kind – (laughter) – because his analysis and his rhetoric in his book is part of the problem. It reinforced the fact that middle and higher-income people are pushing the system to the advantage and to the exclusion of low-income people. For example, at every appearance he says the same thing; one of his

lines is, "When I was a child they told me, Tom, eat all the food on your plate because there are starving children in China. Now I tell my girls, finish your homework because there's a student in China who wants your job." Now, that's not a conversation that expects any sharing of the wealth or the goods in this country. It is exhorting his children and people like him who live in Bethesda to get more out of their K-12 system, and it's certainly not a conversation that is held in middle-income and lower-income households that can't afford to go to higher ed at all now.

MR. CAREY: I saw Tom Friedman speak last week and you're right; he said exactly that. (Laughter.) Not that I want to further encourage the ongoing veneration of Thomas Friedman as the nation's economist laureate apparently, but in terms of discussions about how we make the case for things like national standards, the essential choices he's made and the issues he's raising are the right ones about the profound changes of globalization on the economy and the profound changes in technology. There's perhaps a saleable political argument to be made that there's one global standard of what you need to learn now and therefore that we ought to give all students an opportunity to be taught to it and learn up to it. It doesn't matter if their state says they're proficient or not, the global job market will render its judgment in the end. There's a way to leverage the energy around this conversation towards some of these policy choices.

MR. FINN: Wait till you read Mike Petrilli's review of Friedman's book in the upcoming issue of *Education Next*. There will be no further veneration. (Laughter.)

MS. BROWN: The woman in the red jacket.

Q: Stephanie Rubin from Pre-K Now. A number of states, in particular some poor states, in the last few years have been adding spending to pre-K; Louisiana, Arkansas, Tennessee, are some examples. I'm wondering, Mr. Finn, your thoughts of the role of the school readiness issue and early childhood in the No Child Left Behind debate. Should we be talking about those kinds of issues, does it fit in, and how could it fit in the reauthorization coming up?

MR. FINN: As you know, in NCLB, Congress didn't even touch 1st and 2nd grade. It started with 3rd. I would guess that, as a matter of federal statutes bridging the conceptual and programmatic gap between 3rd grade NCLB and Head Start--a bunch of years in a kid's life—this would prove hard to do. It's probably not likely that NCLB's next iteration is going to reach down to pre-K. I'd be surprised, pleasantly, if it reached down to K because I think it's crazy to start looking at whether a kid is learning when he's in 3rd grade. By then a great deal of damage can be done to kids who especially aren't learning to read in K, 1, and 2. In many cases, they aren't learning to read in K, 1, and 2 in part because they arrived in K without being ready to start learning to read. So I'm all for attention to this; but I don't think it's going to be part of NCLB.

MS. BROWN: Mike?

Q: Mike Petrilli from the Thomas B. Fordham Foundation. This is for anybody

but Checker because I have to listen to him all the time. (Laughter.) For the other panelists, the question is, if you succeeded and were able to redistribute resources away from those more affluent schools and the Tom Friedmans of the world who believe the education that his girls get is not as good as he wants, might they get frustrated, pull their kids out of public schools, and send them to private schools? Do we worry that you could set up this dynamic where over time anyone of means pulls their kid out of public school, sends them to private school, and the political support for public education declines? How do we guard against that?

MS. BROWN: I'll take one stab at that. That force exists right now. There are people who are dissatisfied even with the larger share of resources they get and go off to private school. It's not something that's going to go away no matter how we change the balance. It might increase the tendency for people to pull their children out or it might increase their interest in public education as a whole. They might serve as a force for getting more resources to all of our schools. We don't really know how this will play out, and it probably won't play out evenly across all locations.

MS. WILKINS: This worry has been on the table for many, many years and actually the proportions of kids enrolled in private schools haven't changed that much. Probably the charter school movement has relieved some of the pressure on that.

MR. FINN: It's only 1 percent of all the kids in the country in charter schools.

MS. ROZA: Right.

MS. Brown: But private schools are higher.

MS. ROZA: But they haven't increased much.

MS. Brown: No, they haven't. It's been pretty steady for probably 30, 40 years. I don't think any of us know the answer. I have this kind of Pollyannaish view, I guess, that at some point significant portions of the American public will come to realize how interdependent we are and how we have to care about investing in lower-income and children of color who are the growing parts of our population.

I usually tell the story of people like me who are aging. Eventually our bodies are going to start falling apart, and we'll probably have the money to be able to afford high-quality healthcare, but the question is whether there are going to be people trained to give us that high-quality healthcare. And I'm not talking about fancy, super-duper specialist doctors. I'm talking about nurses and the technicians to run all of this equipment that now keeps us alive longer. How much longer can the country go forward with nursing shortages, for example? The quality of our life is going to go down if we don't care about our less advantaged neighbors. But that kind of argument never seems to penetrate very far.

MS. WILKINS: Mike, the argument you're making is a terribly ugly one--that

the public schools have to hold on to affluent white parents by continuing to shortchange low-income kids of color. To protect a public school system where that is the calculus is not a terribly interesting proposition to me. If our public school system is going to be worth anything, our public school system has to educate all children well. To allow the threat of affluent white parents to continue to crush low-income kids of color is not a system worth defending.

MR. CAREY: Two things. One, there's not the private capacity in a lot of parts of this country. You couldn't move your student to a private school if you wanted to. It's a bad idea rhetorically to frame any of these issues in terms of parents making choices about their own children. If you force a parent to choose their child over someone else's, they'll choose theirs, as they should. Children need their parents to look after them. That's a good thing. But at the same time, most people understand the importance of public education and understand the obligations of society to help all students. The conversation needs to be brought away from these very personal, local decisions and placed into the hands of people, representatives, and policymakers who have some sense of the greater good. Public education itself is broadly redistributive. It's the system we have. Everyone seems to live with it. That in and of itself is evidence that it's not totally dog-eat-dog; it's just a question of building on those instincts and not the legitimate instincts to do right by your own.

MS. BROWN: This guy here had his hand up also.

Q: Howard Nelson, American Federation of Teachers. This discussion has gotten broader and I want to broaden it even more. Somehow the good news revealed in NAEP is being ignored. In math 4th and 8th grade, particularly 4th grade – since 1996, achievement has gone up a full grade level and by a grade level and a half for black students. The achievement gap has been closed by six points. Six points sounds like a small number, but even in the material that was sitting on our chair it said ten points is about a year of learning. It's like 4th grade, who cares, because by 8th grade something is bad

What happened in 4th grade since 1996 to 2003: class size reduction, better understanding of reading programs, improved child healthcare, reduced poverty, maybe some social thing we don't know, increased interest in education, at least for elementary kids in the black churches in this country. Why aren't we talking about those issues? We're stuck in a box where we're worried about a couple thousand dollar differences in teacher salaries between high-poverty and low-poverty schools. We're worried about little things. We're in the little box. Where are the big democratic principles here?

MS. Roza: I don't think those are little things. A couple thousand dollar differences between teachers in high-poverty schools and low-poverty schools is a huge problem. We have followed up on those data. We've called around to schools within districts and asked how many applicants they get per opening, which is about the best indicator of what access to talent is for a school. Some schools say they get two or three applicants per opening, and that last year they hired mostly Teach for America teachers

because none of the applicants passed the background check or whatever. Other schools get 125 applicants per opening in the same district. And others say, "How many applicants per opening? We haven't had a teacher leave in five years." So when you have those sort of disparities in one district, you can only imagine what impact that has on delivering education to kids. In a system where those issues are about access to resources, they don't seem like little things to me.

MR. FINN: We don't know from NAEP data why things happen. You can find a lot of things in NAEP data--math up, reading flat, poor kids up, top 90th percentile flat. You can find ups in two years and downs in the next two years. It's all very interesting and important and provocative. It's like having a temperature chart in your hospital room so that somebody can track whether your temperature is going up or down. But it doesn't tell you why these things are occurring. So gains on NAEP might be from the child health and poverty measures that you're talking about or it might be the spread of Open Court reading – probably not for math – (laughter) – or it might be the dawn of standards-based reform actually doing some good in math but mysteriously not in reading. It's hard to know.

MS. BROWN: Ruth, you had a question?

Q: Ruth Wattenberg of the AFT: The politics everybody has talked about is that parents want the best for their kids and politicians who represent those parents want the best for those kids. We are stuck with that. It's not likely to change and, as you said, it probably wouldn't be good if that changed. When equality means dollars away from me and dollars to you, you lose politically. That's part of why the whole movement for adequacy developed, which says it's not really about spreading the dollars absolutely equally, but defining what is really adequate. What do you really need to get kids to reach these standards? That's why the standards become important. I'd like comments on whether or not that is in fact a better way to approach this, how doable is it, and where does that take us?

MS. Roza: There is one piece that's a thorn in the side of the adequacy movement. An adequacy lawsuit might result in a thousand more dollars per pupil in a given school district. That's not unreasonable to imagine as an outcome. However, you have to face the fact that about $1,200 will go to the wealthy kids and about $800 might go to the high-poverty kids. This is because of the within-district spending patterns. It hurts the overall effort to get more money. It hurts the cause to say we need more money because we don't have enough, but we have more for some kids than we have for others. We can't look at one side of it without the other, although it's happening. There are a lot of places where they're really trying to focus on the adequacy discussions. But some of the within-district spending patterns are starting to infiltrate, and it's hurting the movement.

MS. BROWN: Thank you so much for joining us. This was a very useful conversation. There's complex stuff going on here and all these issues are interrelated. We have to find a way to talk about them, educate the public, educate our elected

officials, and see if we can improve the situation. Thank you very much.