

Center for American Progress



The Case for National Standards, Accountability, and Fiscal Equity

Cindy Brown
Elena Rocha
Center for American Progress

November 2005

The Case for National Standards, Accountability, and Fiscal Equity

Standards-Based Framework in a Decentralized System

In a relatively short time, the standards-based framework for elementary and secondary education systems has been fully adopted in the United States. In 1983, the report *A Nation At Risk: The Imperative for Educational Reform* challenged the country to significantly raise its educational expectations for all students. More formal proposals for adoption of standards came in 1989 with support from then-President George H. W. Bush and the nation's governors. A few years later, in 1994, Congress passed legislation (Goals 2000 legislation and the reauthorization of the Elementary and Secondary Education Act) establishing the standards-based framework as the condition for receipt of federal funds and requiring states to adopt curriculum standards and accountability systems. States, however, implemented the basic principles of these laws unevenly.

In 2001, the standards movement advanced with passage of the No Child Left Behind (NCLB) Act. NCLB built upon and made significant changes to the 1994 laws, placing greater emphasis on accountability for student learning and specifying the authorization of federal dollars through fiscal year 2007. Today, all states have developed both curriculum and student performance standards and hold their districts and schools accountable for meeting yearly student achievement goals that grow tougher each year.

But what can be considered a step forward in many respects, is also an impediment—a false sense of student performance. With more than 50 different sets of standards, there is no national measure/yardstick/standard/benchmark for academic achievement at each of the grade levels. NCLB requires that states hold districts and schools accountable for getting all their students to “proficient” achievement levels, but allows them to adopt their own definitions of “proficiency.” With the pressure to increase student performance, as illustrated below, there has been counter pressure for states to game the system by lowering both standards and proficiency definitions. Such action can lead, perversely, to weakening curriculum and lowering, not raising expectations. Only national curriculum standards and national definitions and measures of student performance at proficiency levels can prevent this behavior.

National cries for increased expectations and evidence of higher student achievement are more than 30 years old. But the decentralized system of schooling continues mostly unchanged. Students continue to move through the nation's schools gaining widely varying levels—mostly low—of knowledge, skills and preparedness. Evidence of this abounds.

Academic Achievement on National Measures

Students' academic achievement has been improving slowly since 1992 on the national sample of reading and math achievement, the National Assessment of Educational Progress (NAEP). Newly released NAEP results for 2005, when compared with 2003 results, show small progress in 4th grade reading and math, minimal progress in 8th grade math and regress in 8th grade reading. Given the push for reform in the late 1990s as well as NCLB requirements and new focused programs like Reading First, observers hoped for more. (See Chart 1 with scale scores for the major subgroups).

Even more disturbing is the disparity in scores across the states. A state-by-state comparison of NAEP 2005 average scale scores for 4th grade reading reveals that more than half of the states in the nation scored more than 10 points—about one grade level—below the highest scoring state of Massachusetts. Eighth (8th) grade math results reveal a similar picture.

There is a small silver lining to the story presented by NAEP data; disaggregating data illustrates the gradual closing of the achievement gap. Scores in 2005 for all racial/ethnic groups as well as low-income children are the highest ever recorded for the Main NAEP test.¹ While the average scale scores among whites are still higher than African-Americans and Latinos (see Chart 1), the academic gains made within these minority populations are often greater than that of their white peers. (See Chart 2).

Unfortunately, the difference in scores between African-Americans and Latinos and their white peers too often equate to more than two grade levels difference in academic achievement. Nonetheless, the incremental closing of the achievement gap is positive. A look at national proficiency rates, another NAEP reporting measure, also illustrates the academic gains among African-American and Latino populations. (See Chart 3).

While far from the national goal of proficiency, another piece of good news is the significant drop in the proportion of minority and low-income students performing below the basic level since 1992. (See Chart 4).

NAEP—State Reporting Differences about Student Achievement

As disappointing as the minimal, overall progress on NAEP is, the more troubling story is the contrasting progress reported by most states. This progress is just not verified by NAEP. As the Thomas B. Fordham Foundation has pointed out, “Almost twenty states have reported gains from 2003 to 2005 in the percentage of eighth-graders rated “proficient” (or the equivalent) in reading on their own state tests. Among those states, however, only three show *any* progress at even the “basic” level on the latest National Assessment of Educational Progress.... None of these states made any progress in eighth

¹ The Education Trust, Press Release: “Closing the Achievement Gap: 2005 NAEP Reading and Math Results Show Some Gains, But Slowing Progress,” (Washington, DC: Oct. 19, 2005).

grade reading at NAEP's "proficient" level."² (See Chart 5 which highlights the largest differences in proficiency results, for states with data available, when comparing 2005 state and NAEP data). Some states reporting gains from 2003 to 2005 on their own tests had declining rates of proficiency on NAEP. (See Chart 6.)

As noted above, the differences in scores, which can be drastic, relate to how high states set their standards. While some states have high expectations of their students and therefore high standards for their performance, others choose not to aim as high. A state with high content standards may have student performance scores that appear low (or even high if student proficiency cut scores are set low), whereas a state with lower standards can report higher levels of academic achievement among their students. Consequently, reporting of state assessment results are misleading. More importantly, they provide the public with a false sense of the condition of education at the local, state and national levels. Today, state testing results really tell the public little about how schools are performing and progressing. But the establishment and implementation of national standards and the testing and reporting of student achievement in two or three core subjects like reading, math, and science would provide the public with a much more accurate picture of how United States' students are progressing nationally and state-by-state.

Non-existent Accountability Measures for States

One of the glaring omissions of NCLB is its silence on state accountability for improvement in student achievement for all students and in closing achievement gaps among student subgroups within the state. For over a decade state legislatures have been increasing state responsibilities for local public education, while simultaneously, in most states, cutting state education agency budgets. The federal government has also been increasing state responsibilities during this period, but usually with accompanying, though modest, financial increases for state activities. However, the federal requirements for states have been procedural—submission of state plans, development of student assessment systems, publication of state report cards with disaggregated data about student achievement at the school and district level, development of systems to judge teacher quality, and traditional compliance monitoring, to name a few.³ These requirements are extremely important, but there is **nothing in NCLB or its predecessors that require any degree of state accountability for success in their efforts to improve student achievement.**

² Thomas B. Fordham Foundation, Press Release: "Gains on State Reading Tests Evaporated on 2005 NAEP," (Washington, DC: Oct. 19, 2005).

³ However, federal financial support for states to develop the capacity to help low performing districts and schools has been woefully inadequate.

Fiscal Inequities Incompatible with National Standards

It makes no sense to expect schools, districts, and states to reach national student achievement goals and to hold them accountable for doing so if their financial resources and quality of teachers are unequal. Currently, in the United States, such inequities far surpass those found in other industrialized countries—countries that have national curriculum standards. If we are to adopt and raise national standards for education, the nation must as well increase its commitment to equality through increased and equitable financial investments that guarantee “level playing fields” of high quality across the country.

While disagreement rages among researchers, advocates, and their lawyers about what constitutes sufficient or adequate funding levels “to deploy educational strategies that are successful in educating students to high performance standards,”⁴ there are clear inequities that few would disagree need attention. There are three basic types of inequitable funding, all of which shortchange low-income and minority students:

- interstate, i.e. across the nation
- intrastate, i.e. among districts
- intradistrict, i.e. among schools

Interstate Inequities

States’ ability to raise sufficient tax revenue to support high quality education varies dramatically with the regions of the South and West generally financing education at a lower level. (They also often have higher concentrations of low-income and minority students and usually have lower student performance levels.) Sometimes state legislatures decide not to adequately finance schools, i.e. make insufficient taxing effort, while others have no choice because of limitations in their tax base. The result for students is the same underfinanced education. The major federal education programs, particularly Title I of NCLB, make some adjustment in their allocation formulas to account for state effort and tax base, but it is very small and no where near makes up for the great differences among states in their education spending. (See Chart 7).

Intrastate State Inequities

Concern about the inequitable funding of education has been the subject of litigation for over 30 years. With the United States Supreme Court decision in the *San Antonio Independent School District v. Rodriguez* in 1973, which denied that the right to education is a fundamental right under the 14th Amendment to the Constitution, school finance litigation was relegated to state courts alone. State finance litigators and policymakers focused on the unequal distribution of the local property tax base. In other words, they sought state help for school districts with low property wealth that could not support as much expenditure for public schooling as those with greater property wealth.

⁴ Odden, Allan, “Equity and Adequacy in School Finance Today,” Phi Delta Kappan (Bloomington, IN: Fall 2003).

During the 1990s, litigators and policymakers switched their primary concern to the “adequacy” of state school funding. They challenged whether financial investments were “adequate” to insure learning success for all students, not just “minimal” and possibly equitable. Dollar amounts were tied to results. During this period, states generally increased their share of the public education bill, often developing foundation programs that usually weight students by various characteristics of need including poverty, limited English proficiency and disability.⁵

Today both the issues of fiscal “equity” among school districts and fiscal “adequacy” of state investments are vitally important. Significant progress has been made in several states, while battles rage on in others, e.g. California, Illinois, New Hampshire, and New York.⁶

The federal government has been helpful through a number of large federal education programs, particularly Title I of NCLB. Title I, first enacted in 1965 as part of the Elementary and Secondary Education Act, distributes funds to states and on to school districts based on the number of low-income school children. Districts then distribute most of the funds to schools with greater amounts going to those schools with the largest concentrations of low-income children. Additional provisions added in the late 1990s provided that significant proportions of Title I could be concentrated in the most high poverty school districts, though these provisions were funded at minimal levels until enactment of NCLB and the large funding increases that accompanied its passage.

Other titles of NCLB—Reading First, the 21st Century Community Learning Program (afterschool programs), and the Title II Part A Teacher and Principal Training and Recruiting Fund program—distribute most of their funds according to the Title I formula. In 1998, the U.S. General Accounting Office (GAO) reported greater equity in the distribution of federal education funds than state funds. They found that federal funding was more targeted to low-income students than state funding was in 45 of 47 states.⁷ While more recent data is not available, there is no evidence to indicate that this pattern is untrue today. However, as indicated below, we now know that this apparent federal targeting of high-poverty schools is greatly diluted.

Intradistrict Inequities

Just as harmful as state funding inequities are district budgeting practices that actually punish high-poverty schools. Districts disperse the funds they receive—be they from federal, state, and local governments or foundations and other philanthropies—through expenditure systems that are usually fragmented and isolated from one another.

⁵ Ibid.

⁶ States demonstrating more success in dealing with fiscal equity challenges include Arkansas, Maryland, Massachusetts, and Wyoming.

⁷ General Accounting Office, *School Finance: State and Federal Efforts to Target Core Students* (Washington DC: General Accounting Office, 1998). This study relied on 1991-92 data, the last year data was collected.

Consequently, district officials often do not fully understand how they spend their money and are unable to explain it to other government officials and the public. They often make budgetary decisions that provide less money, not more for low-performing and high-poverty schools. This happens especially when districts allocate money among schools as if all teachers made the same salary, even though better-paid teachers, those usually with more years of experience or advanced university credits, are much more likely to be teaching in relatively more affluent neighborhoods. This practice is known as staff-based resource allocation.⁸

The problems with district budgeting practices infect their allocation of federal funds as well as state and local funds—often unbeknownst to local officials who believe that federal funds provide extra funding to low-income schools. But as Marguerite Roza and Paul Hill have demonstrated, the “comparability” (i.e. the equitable distribution of state and local funds before Title I funds are added on top) and “supplement, not supplant” safeguards in Title I and other federal education programs are undermined both by district practices of budgeting based on staff averages rather than actual staff salaries and a big loophole in the federal Title I “comparability” requirement that exempts teacher salary differentials based on years of employment. The result is that some Title I funds actually support non-Title I schools. Consequently, this laws’ original and continuing intent to help high poverty schools is gravely compromised.⁹

Obviously, the federal “comparability” loophole needs to be closed, but districts also need to switch to allocation systems that account for actual teacher pay. Districts (as well as states) need to adopt weighted pupil allocation systems, instead of staff allocation systems, that account for variation in student need based on income, English proficiency, disability, and perhaps other measures of special need. If this occurred, then high-poverty schools that struggle to retain more experienced teachers could recapture funds and expend them on extra teacher training, more teachers and smaller classes, after-school programs or many other uses.¹⁰

⁸ Paul T. Hill and Marguerite Roza, “How Within-District Spending Inequities Help Some Schools to Fail,” *Brookings Papers on Education Policy*, (Washington, DC: The Brookings Institution, 2004).

⁹ Marguerite Roza with Larry Miller & Paul Hill, “Strengthening Title I Funds to Help High Poverty Schools: How Title I Funds Fit into District Allocation Patterns,” Center on Reinventing Public Education, Daniel J. Evans School of Public Affairs, University of Washington (Seattle, WA: Aug. 18, 2005).

¹⁰ *Supra*, note 8.

Conclusion

While student achievement in the United States is inching up and state standards and accountability systems are being tweaked, the global society is racing ahead with improved education opportunities for its citizens. To continue competing successfully worldwide, the United States needs to ratchet up its educational expectations and make them national.

The *Renewing Our Schools, Securing Our Future: National Task Force on Public Education*, a joint initiative of the Center for American Progress and the Institute for Responsive Education, recently released a report entitled *Getting Smarter, Becoming Fairer: A Progressive Agenda for a Stronger Nation*. The report contains four main recommendations, including that:

The federal government should support the crafting, adoption, and promotion of voluntary, rigorous national curriculum standards in core subject areas so that students can succeed in every academic setting and in the national and global marketplaces. It should also expand national accountability measures and assist low-performing schools and districts. It should initiate a national conversation about not only the importance of standards and accountability but also the need for paying sufficiently and equitably for public schooling, including modern and safe facilities, from pre-school to college.

As the Task Force noted, over the past two decades, the issues of national standards, national tests, and education finance inequity have been subject to national debate, but never simultaneously nor in a sustained way. It is time to reopen and reinvigorate these debates and to join them together.

Chart 1: Comparison of Average Scale Scores - 1992, 1993 and 2005 NAEP Data by Subject and Grade¹¹

4th Grade Reading	1992 Average Scale Score	2003 Average Scale Score	2005 Average Scale Score
African-American	191	197	199
Latino	194	199	201
White	223	227	228

8th Grade Reading	1992 Average Scale Score	2003 Average Scale Score	2005 Average Scale Score
African-American	236	244	242
Latino	238	244	245
White	265	270	269

4th Grade Math	1992 Average Scale Score	2003 Average Scale Score	2005 Average Scale Score
African-American	187	216	220
Latino	199	221	225
White	219	243	246

8th Grade Math	1992 Average Scale Score	2003 Average Scale Score	2005 Average Scale Score
African-American	236	252	254
Latino	245	258	261
White	269	287	288

¹¹ The Education Trust, Press Release: “Closing the Achievement Gap: 2005 NAEP Reading and Math Results Show Some Gains, But Slowing Progress,” (Washington, DC: Oct. 19, 2005).

Chart 2: Improvements in Average Scale Scores – 1992-2003, 2003-2005 and 1992-2005 NAEP Data by Subject and Grade¹²

	Race/Ethnicity	1992-2003 Improvement Points	2003-2005 Improvement Points	1992-2005 Improvement Points
4th Grade Reading				
	African-American	6	2	8
	Latino	5	2	7
	White	4	1	5
	Low-Income*	—	2	—
8th Grade Reading				
	African-American	8	-2	6
	Latino	6	1	7
	White	5	-1	4
	Low-Income*	—	1	—
4th Grade Math				
	African-American	29	4	33
	Latino	22	4	26
	White	24	3	27
	Low-Income*	—	3	—
8th Grade Math				
	African-American	16	2	18
	Latino	13	3	16
	White	18	1	19
	Low-Income*	—	3	—

* This was calculated using data from the National Center for Education Statistics, NAEP Data Explorer 2005.

¹² The Education Trust, Press Release: “Closing the Achievement Gap: 2005 NAEP Reading and Math Results Show Some Gains, But Slowing Progress,” (Washington, DC: Oct. 19, 2005).

Chart 3: Comparison of NAEP Public School Proficiency Rates – 1992, 2003 and 2005, by Subject and Grade: At or Above Proficiency¹³

4th Grade Reading	Overall % At or Above Proficiency	White % At or Above Proficiency	Black % At or Above Proficiency	Latino % At or Above Proficiency	Free/Reduced Lunch Eligible % At or Above Proficiency
1992	27	33	8	10	—
2003	30	39	12	14	15
2005	30	39	12	15	15

8th Grade Reading	Overall % At or Above Proficiency	White % At or Above Proficiency	Black % At or Above Proficiency	Latino % At or Above Proficiency	Free/Reduced Lunch Eligible % At or Above Proficiency
1992	27	33	8	11	—
2003	30	39	12	14	15
2005	29	37	11	14	15

4th Grade Math	Overall % At or Above Proficiency	White % At or Above Proficiency	Black % At or Above Proficiency	Latino % At or Above Proficiency	Free/Reduced Lunch Eligible % At or Above Proficiency
1992	17	22	2	5	—
2003	31	42	10	15	15
2005	35	47	13	19	19

8th Grade Math	Overall % At or Above Proficiency	White % At or Above Proficiency	Black % At or Above Proficiency	Latino % At or Above Proficiency	Free/Reduced Lunch Eligible % At or Above Proficiency
1992	20	25	2	6	—
2003	27	36	7	11	11
2005	28	37	8	13	13

¹³ National Center for Education Statistics, NAEP Data Explorer (Washington, DC).

Chart 4: Comparison of NAEP Public School Proficiency Rates – 1992, 2003 and 2005, by Subject and Grade: Below Basic¹⁴

4th Grade Reading	Overall % Below Basic	White % Below Basic	Black % Below Basic	Latino % Below Basic	Free/Reduced Lunch Eligible % Below Basic
1992	40	31	69	63	—
2003	38	26	61	57	56
2005	38	25	59	56	54

8th Grade Reading	Overall % Below Basic	White % Below Basic	Black % Below Basic	Latino % Below Basic	Free/Reduced Lunch Eligible % Below Basic
1992	33	25	57	54	—
2003	28	18	47	46	44
2005	29	19	49	45	43

4th Grade Math	Overall % Below Basic	White % Below Basic	Black % Below Basic	Latino % Below Basic	Free/Reduced Lunch Eligible % Below Basic
1992	43	32	78	68	—
2003	24	13	46	38	38
2005	21	11	40	33	33

8th Grade Math	Overall % Below Basic	White % Below Basic	Black % Below Basic	Latino % Below Basic	Free/Reduced Lunch Eligible % Below Basic
1992	44	34	81	67	—
2003	33	21	61	53	53
2005	32	21	59	50	49

¹⁴ National Center for Education Statistics, NAEP Data Explorer (Washington, DC).

Chart 5: Comparison of Percent of Students Achieving at or Above Proficiency on State and NAEP Tests - 2005

4th Grade Reading	State Test ¹⁵	NAEP ¹⁶	Difference
Mississippi	89	18	71
Alabama	83	22	61
Georgia	87	26	61

8th Grade Reading	State Test ¹⁵	NAEP ¹⁶	Difference
North Carolina	88	27	61
Georgia	83	25	58
Texas	83	26	57

Chart 6: Change in Proficiency on State and NAEP Test - 2003-2005¹⁷

8th Grade Reading	2003-2005 Change in % at or above Proficient on state test	2003-2005 Change in % at or above Proficient on NAEP
Alabama	11	0
California	9	-1
Idaho	9	0
Arizona	8	-2
Delaware	8	-1
Tennessee	8	0
Maryland	6	-1
Virginia	6	0
Kentucky	5	-3

¹⁵ Olsen, Lynn, "Defying Predictions, State Trends Prove Mixed on Schools Making NCLB Targets," *Education Week* (Washington, DC: Sept. 7, 2005). State proficiency data is preliminary 2005 data. Data was not available for several states. Data substituted with calculations from other years and/or data that may not be comparable were excluded.

¹⁶ National Center for Education Statistics, NAEP Data Explorer (Washington, DC).

¹⁷ Thomas B. Fordham Foundation, Press Release: "Gains on State Reading Tests Evaporated on 2005 NAEP," (Washington, DC: Oct. 19, 2005).

Chart 7: *Average Adjusted Student Expenditure - 2002*¹⁸

State	State Average	Rank
DC	\$11,269	1
New Jersey	\$10,235	2
New York	\$10,002	3
Vermont	\$9,915	4
Nevada	\$6,380	48
Mississippi	\$6,143	49
Arizona	\$6,010	50
Utah	\$5,132	51

¹⁸ Olsen, Lynn, "Financial Evolution," *Education Week* (Washington, DC: Jan. 6, 2005). Figures adjusted for regional cost differences using the NCES Geographic Cost of Education Index.

Center for American Progress



ABOUT THE CENTER FOR AMERICAN PROGRESS

The Center for American Progress is a nonpartisan research and educational institute dedicated to promoting a strong, just and free America that ensures opportunity for all. We believe that Americans are bound together by a common commitment to these values and we aspire to ensure that our national policies reflect these values. We work to find progressive and pragmatic solutions to significant domestic and international problems and develop policy proposals that foster a government that is “of the people, by the people, and for the people.”

Center for American Progress
1333 H Street, NW, 10th Floor
Washington, DC 20005
Tel: 202.682.1611 • Fax: 202.682.1867
www.americanprogress.org