

Almost There

A Perspective

on

Fund the Child:

Tackling Inequity & Antiquity in School Finance

a publication of

The Thomas B. Fordham Institute
(2006)

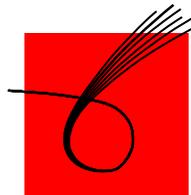
by

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Amid scattered reports of recent district decentralization efforts – San Francisco and Oakland, California, Clark County (Las Vegas), Nevada, etc. – we find the Thomas B. Fordham Institute’s June, 2006 publication, Fund the Child. Simply put, the paper associates a more-equitable type of funding (called weighted student funding) with the recommendation that decisions about spending those funds be decentralized – made almost entirely at the school level. If these two changes are made, along with a few other details, Fordham believes substantial improvements in achievement will result.

The report represents a departure for Fordham, an organization known more for its support of reforms that come at public education from the outside – charter schools, vouchers, national assessments, etc. In the case of Fund The Child, the reform proposals would start inside existing public education institutions and be implemented by personnel there. Although signatories to the Fordham proposal include a number of well-known people from across the political spectrum, the publication has drawn fire from public education supporters. Given the level of rancor in political debate in general, and the clearly revolutionary nature of the Fordham proposal, opposition should be no surprise.

However, based on our experiences with and in public schools, we think Fordham is onto something. Unfortunately, those same experiences tell us this reform could easily fall flat on its face, consigned to the dustbin of school reform history with other fads. That would be a shame. More about our concerns shortly.

We believe school improvement will move farthest and fastest if governance processes enable school-level educators, the people closest to the challenges, to make almost all the decisions on spending. For us, the slogan “send the money to the schools” best captures this idea.

The concept, mostly honored in its absence, is not a new idea, but related to such terms as “decentralized decision-making,” “site-based management,” “teacher empowerment” and similar concepts.

Fordham also believes in sending money to the schools. They say, “If a district receives an extra \$1,000 because Jane is economically disadvantaged, and Jane attends Elm Street Elementary, Elm Street should receive that funding.”

Empowering individual public schools is a great idea because – to paraphrase Willie Sutton’s interest in banks and money – that’s where the children are. Growth in public charter schools and voucher programs notwithstanding, the vast majority of students remain in traditional public school districts, and in many urban districts they fare poorly.

One concern we have with Fund the Child is a certain tone deafness in it. Although clearly intended to appeal to public education supporters, some among those folks will view the document’s title with suspicion, seeing it as supporting vouchers and public charter schools. The publication’s expressions of concern for relieving the funding inequities facing public charters will reinforce that suspicion. While these may be valid concerns for the Fordham Foundation – an organization long supportive of such school choice reforms – we wish they had been left out. This might have minimized confusion about Fordham’s motives vis-à-vis their publication.

The report’s support for weighted student funding (WSF) – an idea originating in the Edmonton (Alberta), Canada school district – is aimed directly at public education supporters. Additional funding for various types of disadvantaged students is a well-entrenched liberal idea growing out of Lyndon Johnson’s Great Society programs. Many public school people might be expected to support a more effective way to spend funds targeted at poor and disadvantaged

students.

However, achieving a workable WSF policy will be a complex and time-consuming process, and while worthy of support, doesn't quite float our boat. What does is sending the money to the schools (SMTS) – at least 95% of their per-pupil allotment. Even without an adequate WSF policy this would put new funding in the hands of the people who should be spending it. The reason? Bureaucracies tend to spend money on themselves first and everyone else second. SMTS changes that equation.

Why is SMTS more important than WSF? Individuals and organizations with interests in public education seek to gain and maintain control over the ways things work. For them, the question is not just “how much money can be spent?” They also have a covert concern, namely “who gets to decide how to spend the money?” The traditional management structure of school districts has always given that power to the people furthest from the real day-to-day life of schools. That's what needs to change.

Who controls funding is the real battle. If there is a connection between SMTS and WSF it is that successful spread of the former will drive development of the latter. That's because building-level professionals will want to control all the money their students bring into a district, and will take action to get it. Fordham should have put the former idea first.

Finally, the Fordham report confuses the strategy to generate broad-spectrum political appeal (by pushing WSF) with a questionable implementation strategy. Their proposal to gradually expand the proportion of school-level funding simultaneously across an entire district could create an ever-increasing set of problems that might scuttle the whole venture. This top-down approach – curiously contrary to the concept of empowerment – would impose a system for

solving problems, rather than enabling people to solve their own problems.

Based on our experiences, we recommend an alternate voluntary approach.

Start small. Invite schools to volunteer to spend 95% of their budget, but only if they can generate a sufficient level of community interest. For example, the principal would have to agree, and supermajorities of teachers, support staff and parents (if too many schools apply, use a lottery to get a manageable number of early-adopters). Districts will also need to ensure that a school's budget has adequate funds to obtain outside resources to handle the paperwork that comes with spending school budget money. Burdening already-busy school people with extra responsibilities is unlikely to be well-received.

The voluntary approach has several advantages. Central administration staff won't have to make major changes in their routines all at once. Initially, in large districts, little change will be noticed outside of the volunteers. As the number of volunteer schools grows, budget-handling central administrators can be gradually re-assigned to other positions – most usefully to the implementation of a robust, transparent assessment and information management program. Other administrative staff can be assigned to support services for needs that are best met (as determined by empowered schools) through a centralized system.

Another advantage to starting with a small number of volunteer schools is that, as they experience success with bottom-up governance, they can become advocates for the new system among those schools initially reluctant to make the transformation. We believe teachers and school-level administrators will quickly become enthusiastic for a system which gives them much more control over their own destinies. Genuine enthusiasm will go a long way toward spreading change throughout a district.

Making such a significant change in governance is likely to result in some unforeseeable problems, so early-adopter schools will become pathfinders for others to follow. Ultimately, one can make a prima facie case that schools that resist the move to handling their own budget may be so dysfunctional as to need special help, perhaps even reorganization.

A fundamental ingredient in this kind of reform is trust, which is built slowly through a period of trial and error. Politicians and school leaders have to trust teachers and principals to make the right decisions, and those same “ground troops” have to trust the higher-ups to support them through the period of adjustment and beyond. But trust is not enough.

Any implementation strategy will have to provide contractual guarantees that schools that make the proposed changes will have a reasonable length of time to become successful. Just as important, they need to be guaranteed that they can continue to operate in the new mode as long as they maintain success. A new board or superintendent can't be allowed to pull the rug out from under schools that have successfully moved to the new governance system.

Another key strategy must be to prepare for funding disruptions caused by assigning spending control to schools. As volunteer schools gain in overall funding, other parts of the district will lose money. Temporary additional funding may be needed to facilitate the transition to SMTS. However, no realistic political compromise will result in less funding going to some students. If shortfalls show up anywhere in a system it will be in centralized operations that become obsolete. State level changes in school financing regulations may be necessary to enable districts to manage temporary future operating losses (what the private sector calls capital charges) caused by the change from centralized to decentralized spending.

For all the changes that await SMTS volunteer schools, we see the cooperation of teacher

unions, where they exist, as vital to success. Schools that vote for empowerment need to have union representatives that support that goal. Those representatives need to express that support to the union, which in turn has to be assured that its concerns will be properly addressed. The good news is that some unions have already considered a more reform-friendly role – “thin” contracts that provide basic security for members, but leave many details for individual schools to decide.

After the transformation dust settles and the reorganization pain subsides, several benefits will result. Schools will be more successful at producing levels of achievement among all students that life in the 21st Century demands. Parents and the public will be more satisfied with those results. The real costs of schooling will be more readily apparent, since spending decisions will be more closely related to schools’ fundamental purposes. New types of schools will develop as parents express their children’s needs – and empowered schools respond to parental concerns. In general, “outside” reforms such as charter schools and vouchers will lose some of their appeal among parents and politicians, since public schools will be able to act more effectively.

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