

School Finance Redesign Project

center on reinventing public education

PERFORMANCE PRESSURE AND RESOURCE ALLOCATION IN WASHINGTON

Shelley De Wys

Center on Reinventing Public Education

Melissa Bowen

Center on Reinventing Public Education

Allison Demeritt

University of Washington

Jacob E. Adams, Jr.

Claremont Graduate University

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Daniel J. Evans
UNIVERSITY of
WASHINGTON
School of Public Affairs

The School Finance Redesign Project

The School Finance Redesign Project (SFRP) encompasses research, policy analysis, and public engagement activities that examine how K-12 finance can be redesigned to better support student performance. The project addresses the basic question, “How can resources help schools achieve the higher levels of student performance that state and national education standards now demand?”

Check in with us periodically to see what we’re learning and how that information may reshape education finance to make money matter for America’s schools. You can find us at www.schoolfinanceredesign.org.

Jacob Adams, Principal Investigator

The SFRP Working Paper Series

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Executive Summary

New accountability systems require that states and districts accomplish something never accomplished before—ensuring that all students meet state standards. To explore how these heightened state and national performance expectations have altered educational resource decisions, the School Finance Redesign Project (SFRP) conducted interviews of state, district, and school leaders in four states, asking these leaders about their efforts to improve student performance and the constraints they face in implementing improvement reforms. This report presents the findings of state, district, and school interviews conducted in Washington state.

Our interviews indicate that educators and policymakers do indeed feel pressure to improve student performance, especially for historically neglected and disadvantaged students, and they are responding to these accountability pressures by directing their attention and resources toward ensuring that all students achieve standards. Local educators have responded to these pressures by focusing resources on enhancing the capacity and motivation of students, teachers, and principals and by aligning resource use with system goals. Efforts to improve the capacity and motivation of students include increasing instructional time by providing prekindergarten, longer school days and year, and more time on core subjects; improving the learning environment by reducing class size, changing schedules, and providing non-academic services; and enhancing learning through instructional improvements and individualized attention. Efforts to improve the motivation and capacity of teachers include conducting professional development activities chosen on the basis of proven effectiveness, alignment with standards, and identified needs; teaching educators how to use student data; promoting collaboration and mentoring; and adopting more rigorous performance evaluations. Similarly, districts are also providing professional development to principals with an emphasis on developing instructional leaders. Finally, district and school administrators are attempting to align components of the education and finance systems. For instance, districts are attempting to focus resources on areas of need and align curriculum with standards. Districts are also trying to improve the decisionmaking process by incorporating strategic planning and the use of data, best practices, and evaluations of resource use.

While these efforts represent progress, educators reported a number of constraints to aligning resource use with goals and subsequently bringing all students to standard. First, student demographics—including the challenges associated with poverty, mobility, and immigration—pose formidable challenges to bringing all students to standard. Second, activities designed to improve instruction are hampered by insufficient resources and restrictions on the use of funds, union contract terms and conditions, historical perceptions of what schools and classrooms should look like, and lack of teacher and administrator capacity. Third, while cultural change in the education community is happening, it is doing so slowly; teacher resistance and union opposition strongly influence resource decisions at every level of the system and often prevent officials from doing what they believe is best for students. Fourth, many administrators fail to view effective resource use as the optimization of all possible educational expenditures to maximize student performance for a given cost, and those that do grasp this concept often lack sufficient data and established practices to identify effective uses. In addition, most administrators view salary costs as immutable; therefore, given that salaries consume a large portion of district budgets, reform efforts are funded on the margins, primarily through restricted and unstable grant and philanthropic funds. Finally, the allocation of resources to effective uses that would result in improved student performance is often impeded by political pressures and

the demands of other stakeholders in the system, including educators and policymakers, community members, and business groups.

At the state level, officials voiced concerns that mirrored those of district-level respondents. For instance, state officials also highlighted the challenges of bringing all students to standard and the need to provide remediation services for students not passing the state test. State officials expressed various opinions about whether Washington's education finance system is adequate or not—with some saying yes, others saying no, and several indicating that they did not know. And, while agreeing that it was a salient issue, the officials we spoke with admitted to struggling with the idea of identifying and implementing effective resource use throughout the system, citing issues with collecting data, identifying “what works,” and establishing the proper balance of state regulation and local control. Our interviews with state officials also support the contention that Washington's education finance system is an artifact of history that is needlessly complicated, retains some inequities, and does not support coherent instructional programs and the associated resource allocations needed to improve student performance. Finally, while conceding that union collective bargaining constrains educator and policymakers' efforts to improve educational outcomes, state officials do not appear ready to take up the issue. While most of the officials we interviewed appeared to support the development of the Washington Learns Commission (which was charged with reviewing a broad range of P-16 education finance issues including adequacy and efficiency), and they hoped that it would lead to systemic change, others highlighted the difficulty of achieving such change given the diverse views and political strength of various education stakeholders. Unfortunately, this commission was unable to overcome historical precedent and political divisions to tackle the tough issues: revising the definition of a “basic education,” addressing structural problems in the state finance system (i.e., equity, adequacy, efficiency, and revenue issues), and developing a system linking teacher pay to performance. The inability of such efforts to make headway on key issues of education finance begs the question of how and when real change will eventually occur.

In sum, our interviews indicate that while district- and state-level leaders are attempting to improve the quality of education in Washington, lack of alignment with accountability demands and insufficient attention to effective resource use within the state's 30-year-old education finance system impede such efforts. The current system's complexity works against its productivity, constraining local actors' efforts to use funds in coherent and strategic ways. Too often, reforms and interventions take place on the margins of education spending, and lack of capacity and motivation and competing political interests impede educator and policymakers' efforts to align resource expenditures with student needs. Our findings serve to shed light on the problems that ground-level administrators and policymakers face in implementing reforms within the current system and illustrate why progress is slow, despite these well-intentioned efforts. In addition, our findings make clear that without changes to the finance system to better support actor capacity and motivation and align the system with desired performance outcomes, Washington educators are unlikely to reach the objective of bringing all students to standard. We hope that the findings of this and other SFRP reports will encourage policymakers, practitioners, and the public to overcome historical precedents, stakeholder demands, and resistance to change in order to create a system that truly makes student achievement the paramount goal.

Introduction

The purpose of this study is to understand whether school finance systems and practices are adapting to today's student performance imperatives. If so, how? If not, why not? As such the study addresses attempts to transition from structures and processes primarily concerned with the equitable distribution of resources among school districts to structures and processes that more directly promote student learning. This transition is prompted by state and federal policies that demand better student performance and by state judicial decisions that explicitly link resources and results. Our goal has been to understand the relationship between performance pressure and resource allocation.

Transitions are rarely easy or linear, and the transition of the education finance system is no exception. As a result, one of the key objectives of this report is to trace the process by which educators attempt to reach new goals by way of an old system designed for other purposes. It is, therefore, the story of an ongoing struggle between improving student achievement and old ways of doing things.

This Washington case study is one of four that comprise the overall study that is being conducted by the University of Washington (Ohio and Washington) and the RAND Corporation (North Carolina and Texas). In addition to the individual state reports, researchers will prepare a cross-case analysis that presents major findings and themes for the study as a whole.

Significance of the Study

Public schools must double or triple student performance in the near future to meet state and national accountability expectations. In Washington State, for example, only 52 percent of 10th grade test-takers passed the reading, writing, and math sections of the Washington Assessment of Student Learning (WASL), a requirement that all students will need to meet in the next few years to graduate from high school (Washington State Office of Superintendent of Public Instruction 2006b). In Texas in fiscal years 2002-2003 and 2003-2004, campuses could meet their Adequate Yearly Progress (AYP) requirement under the *No Child Left Behind (NCLB) Act* by achieving passing rates on the Texas Assessment of Knowledge and Skills (TAKS) of 46.8 percent for reading/language arts and 33.4 percent for mathematics (Texas Education Agency 2003). By 2013-2014, campuses will have to achieve 100 percent passing rates on these tests to meet the AYP requirement. Nationwide, more than a quarter of elementary and secondary students currently do not meet federal performance targets. Schools failing to meet their annual performance targets risk the imposition of sanctions. Performance challenges such as these pose substantial practical problems for America's schools.

From a school finance perspective, helping schools accomplish ambitious performance goals entails four actions: providing sufficient resources to get the job done, distributing those resources equitably to schools or students, using resources productively, and accounting for resource use in ways that capture that productivity. Because schools now must produce better student results regardless of whether their resources are rising, declining, or holding steady, the productivity component of this equation—that is, using resources to improve student performance—becomes more salient.

Whether current school finance structures and decisions promote productivity and student performance is a key question because the systems were designed to accomplish other purposes. They are poorly integrated with educational reforms and can be quite complex at the operational level. What's more, the bargaining and competition that underlie them create a weak basis for productivity and lead to wide latitude in their application of fundamental principles, such as adequacy and equity. Yet, school finance decisionmaking is fundamental to the notion of productivity in the sense that states now demand performance. These decisions, and the structures that condition them, dictate the degree to which resources support learning. Thus, a fresh and close look is in order. The study's focus on finance structures, decisions, and decisionmaking enables us to examine how and why resources are allocated and used as they are, how and why practitioners might use them differently if they could, and what impediments prevent them from deploying resources in ways they deem more productive, all of which informs how finance systems constrain (or enable) resource-learning linkages and how the systems might be redesigned to better promote student learning.

School Finance and Educational Productivity

How can resources promote student performance? Education famously lacks a “production function,” the recipe for converting resources into academic achievement. So how can observers tell the difference between—and therefore study—more- or less-effective resource use? The answer lies in the basic mechanisms of how people learn and change.

The learning that underlies student performance occurs in classrooms. It results from the interaction of students, teachers, and materials (Sizer 1984). But what has to happen in classrooms for learning to occur? In answering this question, we find that lessons from different disciplinary vantages are converging around a few key concepts. Research on human competence development (Ford and Ford 1987; Ford 1992), for instance, indicates that learning is a function of an individual's *motivation* and *capacity* operating in an *environment* that provides information, materials, support, and opportunities to practice. These concepts appear again in implementation research (McLaughlin 1987), which views learning and change as a function of an individual's will and skill operating in a context of external pressure and support. “Will and skill” are synonymous with motivation and capacity. The “how people learn” literature describes learning as the result of a student's interests (motivation) and an instructional setting that capitalizes on that interest to build his or her capacity to read, compute, or master new material (Bransford, Brown, and Cocking 1999), just as research on learning policy (Cohen and Hill 2001) targets teacher and student capacity building via training and materials. Thus, individual-level motivation and capacity and system-level supports become important targets for resource use as well.

Confirming the centrality of these concepts to education, the National Research Council's Strategic Education Research Plan (National Research Council 1999) identified motivation and capacity as two of the four core interests in educational research. And confirming the utility of these concepts to school finance research, the National Research Council's Committee on Education Finance (Ladd and Hansen 1999) shaped its recommendations, in part, around the use of incentives and capacity-building investments to “make money matter.”

This perspective necessarily demands that we construe “resources” broadly to include dollars, certainly, but also staff (including their knowledge and skills), time, materials

(curricula), information (about student performance, finance, and human resources), discretion, organizational setting (class size, safe buildings), and technology.

Research Questions and Methods

The practical and theoretical focus on motivation, capacity, and system supports lead us to four central questions and related expectations in terms of what one would see in a performance-oriented school finance system:

1. To what extent do formal school finance mechanisms operate to support student performance goals? Here the study examines school finance mechanisms and the context in which these mechanisms operate.

Expectation #1: In performance-oriented school finance systems, formal mechanisms address school- and/or student-level adequacy (funding sufficient to accomplish performance goals), equity (funding based on need), and productivity (allocating and using resources to motivate and/or to build the capacity of those responsible for student performance).

2. Have heightened state and national performance expectations altered educational resource decisions? Here the study is concerned with changes in resource deployment that have occurred in response to more ambitious performance accountability demands.

Expectation #2: In performance-oriented school finance systems, decisionmakers use resource strategies and tactics explicitly to address student performance challenges.

Expectation #3: In performance-oriented school finance systems, resource decisionmaking aligns authority with responsibility, utilizes data, and includes cost-effectiveness or similar considerations.

3. Would school finance decisionmakers deploy resources differently if they could, and what prevents them from doing so? This question examines preferred but unavailable resource strategies and the constraints that preclude their use.

Expectation #4: In performance-oriented school finance systems, decisionmakers understand what performance challenges they face; possess the resources, knowledge, and authority to address them; and operate in a context of pressure and support that encourages and enables them to use resources to improve student performance.

4. How do school finance systems enable or constrain efforts to link resources to student performance? This question targets factors that influence school finance decisionmaking. It addresses their relative importance at state, district, and school levels; and it assesses the direction of their influence: enabling or constraining

resource deployment to promote student performance.

Expectation #5: In performance-oriented school finance systems, enablers encompass formal mechanisms, practices, and contexts that allow resources to be linked with performance; constraints prevent such linkage.

These questions and expectations direct the research toward the mechanisms and decisions that dictate resource allocation and use; how each decision in the system conditions those that follow; and how these interrelated decisions facilitate or constrain the use of educational resources to support student performance.

We examine the extent to which school finance mechanisms and practices:

- provide adequate and equitable funding;
- use resources to build teacher and student knowledge and skills;
- employ incentives to direct behavior toward academic achievement in tested subjects;
- align resource decisionmaking with responsibility for results; and
- align system components—accounting, auditing, and the like—with the overarching performance goal.

The study was conducted primarily through semi-structured interviews with state- and district-level officials and school principals. Researchers visited districts and state capitals in 2005. In Washington, 66 interviews were conducted in five districts and in Olympia. District interviewees included board chairs; district superintendents (and, where appropriate, subdistrict superintendents); human resources, finance, and academic/curriculum officers; teachers union representatives; and two to six principals per district. State officials included state board and department administrators, gubernatorial aides, legislators and legislative staff, and state teachers union officials. Data collected in interviews is supplemented by review of documents (including policy documents, court decisions, newspaper articles, and analyses by other researchers). Interviewees were promised that neither they nor their district or school would be identified. General semi-structured interview protocols for district-level officials, human resources specialists, building principals, and state-level officials are included in appendix A.

SFRP researchers identified in each case-study state four districts that differed in size, demography, and academic performance.

We attempted to include in each state:

- a district with a reputation for educational innovation (District Two, our “innovative” study district, which has decentralized decisionmaking and uses site-based budgeting);
- a district that appeared (based on regressing test scores on district characteristics) to be “beating-the-odds” academically (District Four, our “matched, high-performing,” or “beating-the-odds” district);
- a district with similar characteristics to the “beating-the-odds” district but with relatively low performance (District Five, our “matched, low-performing,” or “not-beating-the-odds” district); and

- a high-performing district (District Three our “high-performing” or “wealthy suburban” district).

In Washington, we also selected a fifth district:

- a rural, heavily Hispanic district that appeared (based on regressing test scores on district characteristics) to be performing better than predicted (District One, our “rural” district).

While data drawn from these districts give us insights into how educators’ use of resources is affected by heightened performance expectations and the factors that enable or constrain effective resource use, the small number of districts in our study limits generalizations to other districts or states. Table 1 summarizes the descriptors and characteristics of the study districts.

Table 1. Washington Study Districts

District Pseudonym	District Descriptors	District Characteristics
District One	“rural”	rural, heavily Hispanic, performing better than predicted
District Two	“innovative,” “decentralized,” “urban”	urban, uses decentralized decisionmaking and site-based management
District Three	“high-performing,” “wealthy”	suburban, wealthy, high-performing
District Four	“matched, high-performing,” “beating-the-odds”	beating-the-odds academically ¹
District Five	“matched, low-performing,” “not-beating-the-odds”	similar characteristics to District Four but not beating-the-odds ²

This report is organized into two main sections plus two appendices. The first two main sections provide (1) district- and school-level perspectives on the education finance system, and (2) state leader perspectives on the education finance system.

The district- and school-level perspectives section is itself divided into sections addressing:

- the capacity and motivation of students, teachers, principals, and the system as a whole;
- environmental factors influencing performance;
- system funding including equity, adequacy, and regulatory requirements; and
- desired changes.

^{1,2} As determined by regressing test scores on district characteristics.

Similarly, the state perspectives section is divided into sections addressing:

- accountability concerns;
- the politics of equity, adequacy, and efficiency; and
- the factors influencing the deployment of resources.

As noted previously, appendix A contains the protocols for both the district- and state-level interviews. Appendix B provides a description of Washington’s school finance system and the surrounding context. A brief summary of our findings is provided below.

Summary Findings

To what extent do formal school finance mechanisms operate to support student performance goals?

1. *Finance systems are artifacts of history and do not support the coherent instructional programs and allocation of resources needed to improve student performance.* The accounting and auditing systems in Washington are not aligned with today’s performance expectations. They support the “old finance” orientation toward compliance with spending rules, in which spending money “accurately” in specified categories is more important than spending money “effectively” to produce student performance. In fact, these systems strongly influence local resource allocation and reporting, diminishing educators’ ability to create coherent instructional programs and the public’s ability to track resource use in a meaningful manner. Federal, state, and local funding mechanisms collide and work at cross-purposes in the financing of key areas such as staffing and special education. Earmarked revenues are not used in ways that produce real effects.
2. *The education finance system’s complexity works against its productivity.* A welter of funding streams from federal, state, and local governments as well as non-governmental sources combines with resource use stipulations and reporting requirements to produce a complex system that very few understand. This complexity both discourages discussion about reforms—respondents told us that even legislators do not really understand the system—and detracts from transparency. A lack of transparency, in turn, impedes evaluation of effectiveness, the establishment of accountability, and the willingness of taxpayers to grant additional funds.
3. *The use of financial incentives remains relatively unexplored.* While financial incentives are used broadly in other professional settings and have been identified as an important concept for “making money matter” in the education finance literature, their use continues to be very limited. Some districts and schools are experimenting with incentive pay to draw teachers into hard-to-staff districts, schools, and subjects, but individual-level incentives—particularly those turning on the performance of educators—are rarely used. Thus, the school finance system is failing to make use of a potentially important lever for changing the behavior of key actors. It should be noted, however, that some respondents do not support the use of such incentives, as they believe them to promote competition at the expense of cooperation.

Have heightened state and national performance expectations altered educational resource decisions?

4. *Student demographics pose formidable challenges to resource use in light of the mandate to “leave no child behind.”* Interviewees noted that a lack of student preparedness stemming from mobility, poverty, and immigration factors is one of the most difficult challenges they face in trying to educate all students to standards. One district in Washington, for instance, reported a mobility rate of 30 percent. Another district is so eclectic that it encompasses a variety of different families whose in-home languages total approximately 130. Unfortunately, educators often feel that they lack the resources and instructional knowledge to bring the most difficult-to-educate students up to proscribed standards.
5. *Performance pressures have been directing educator attention and resources toward student performance, but not all of the effects are seen as desirable.* New standards are refocusing educators’ attention and dollars on strategies they believe will help more children succeed at a higher level. Districts and schools are directing resources towards assessments, targeted and extended instruction, capacity-building for educators, and the achievement of historically neglected and disadvantaged students. Officials support these changes, but lament the trade-offs made to support them: a disproportionate focus on low-achieving students paired with fewer resources devoted to high-achieving and gifted students and an abandonment of non-core instruction and the development of well-rounded students. Respondents indicated that both they and community members resist the singular view of achievement tested by the WASL and doubt that districts have the means to ensure that all students can pass it. Officials at both the state and local level noted that continuous improvement of resource use is impeded by the lack of a common conception of what makes for a well-educated student.
6. *Many reforms and interventions are taking place on the margins of education spending.* A large percentage of school budgets are used to fund teacher salaries, but few at any level of the system seem to question the productivity and cost-effectiveness of these expenditures. In part, this may be due to the funding mechanisms used to allocate teaching staff, legal mandates regarding staff-student ratios, and a teacher labor market that provides little incentive for teacher education programs to adapt to new challenges. Whatever the reason, reforms have mainly involved changes in the use of nonfinancial resources such as professional development, time use, and curricular offerings. While these changes may be necessary steps, they are unlikely to be sufficient to achieve the goals set by recent performance mandates. Moreover, many interventions are funded by grants or philanthropic funds, which generally represent a small and often temporary portion of education funding.

Would school finance decisionmakers deploy resources differently if they could, and what prevents them from doing so? How do school finance systems enable or constrain efforts to link resources to student performance?

7. *The concept of “effective resource use” as the optimization of all possible educational expenditures to maximize student performance for a given cost does*

not yet seem to be a strong element of the educational culture in Washington. Respondents typically equated or confused efficiency and the effectiveness of spending with the equality, sufficiency, accuracy, or legality of spending. Respondents rarely mentioned efforts to increase productivity by comparing the effect of investments in different programs or strategies. Those who knew of attempts to do so felt that efforts are stymied by a lack of data. The concept of maximizing resource productivity rarely surfaced in our interviews, and, particularly among union representatives, takes a definite backseat to issues of resource adequacy. Therefore, many district/school budgets remain only loosely aligned with stated goals.

8. *Educators need more research-based knowledge about practices that work.* Current knowledge is insufficient to adequately improve the effective use of resources and student performance. Educators do not feel they know enough to: inform teacher training and preparatory programs; provide evidence that politically popular but failing programs should be dismantled; and provide adequate remediation for students not reaching standards. Respondents also feel there is a strong need for solutions that help educators share knowledge. The need for research into both of these areas will only grow as WASL scores are used to determine graduation eligibility. Some respondents doubt that resources are tightly or significantly linked to achievement, but more systematic research and data-collection can only serve to identify where such linkages exist and where other, more qualitative or “intangible” factors may be at work.
9. *Union contracts influence resource decisions at every level of the system and often prevent officials from doing what they believe is best for students.* Respondents told us that contract provisions restrict their ability to deploy staff, time, and materials in the way they believe best supports improved performance. Seniority provisions govern the hiring and placement of teachers, limiting the ability of principals and superintendents to staff their schools and coordinate beneficial educational offerings. Burdensome dismissal processes discourage the removal of underperforming teachers from the system. Time use rules prevent officials from holding team meetings, conducting professional development, and re-organizing schedules. Even the bargaining process itself was cited as an activity that drives resources away from student needs, dissuades legislators from increasing funding, and increases antagonisms that fuel strikes and other forms of noncooperation.
10. *Cultural change in the education community is happening, but slowly and amidst some resistance.* Almost all respondents noted that educator reactions to new accountability standards vary. Many characterized younger, newer teachers as being more open to using data, learning new methods of teaching, and being held accountable for their students’ performance than teachers who had been in the system for many years. While some teachers resist new methods of evaluation and training, respondents also indicated that teachers become less resistant when they see that these new strategies facilitate student learning and therefore subsequently feel empowered to create positive changes.

11. *Political interests and issues restrict educators efforts to align resource expenditures with student achievement.* Some recently implemented strategies have been enacted more on the basis of political pressure than research-based knowledge. Many class size reduction efforts in Washington, for instance, appear to have moved forward because of community expectations and teacher preferences and in spite of research indicating that the extent of the reductions will not be nearly large enough to produce achievement improvements. On the flip side, other programs thought to be effective have not been implemented as a result of union contract restrictions or teacher resistance. Several respondents stated that political pressure also keeps programs and schools going even though available data has shown them to be ineffective and noted that communities value their local schools and associated programs such as athletics as much as they value academic achievement. Political interests play an overwhelming role in education, as is manifest in the political infighting and relatively weak recommendations produced by the Governor's Washington Learns Commission.³ The inability of such efforts to make headway on key issues of education finance begs the question of how and when real change will eventually occur.

To provide support for these key findings, the next section presents district- and school-level educators' thoughts on the system they work within as part of their daily jobs. Because these perspectives are deeply shaped by the context of the Washington school finance system, appendix B describes the history of this system, including constitutional mandates, judicial challenges regarding the adequacy and equity of the state's funding mechanisms, education reform initiatives, state practices, and revenue sources. It also discusses how the political and economic environment, union expansion efforts, and demographic and economic shifts have brought change to the system over the previous decades.

District- and School-Level Perspectives on Washington's School Finance System

To gain a deeper understanding of how performance pressures are impacting local resource allocation, we conducted interviews in five districts in Washington. This section discusses findings related to the study research questions, including how officials viewed their districts' and schools' use of resources, whether they thought the resources could be better deployed, and what factors enabled or constrained resource allocations in their efforts to improve student achievement.

The Capacity and Motivation of Students

Perhaps no factor is more important to student performance than the motivation and capacity of individual students. Yet, our interviews revealed that many school and district administrators in Washington feel that some students do not perform to their abilities. Moreover, these deficiencies are felt to vary systematically; subjects indicated that children of low socioeconomic status (SES) and English language learners (ELL) often enter the educational system with

³ For a description of the Washington Learns Commission, see appendix B, beginning on pg. 133.

extremely deficient skills, while children from higher-SES and non-immigrant families are better prepared.

Respondents' descriptions of their students' capacities vary with their districts' characteristics. In our wealthy, high-performing district, respondents describe their students as high achieving and benefiting from supportive parents and environments. Respondents in our other districts, by contrast, stated that many of their students lack necessary skills and spend much of their time in outside-school environments that negatively impact their readiness to learn. Mobility and lack of parental support—both factors related to living in poverty—were often-cited causes of poor student performance. Additionally, subjects claimed that special education students lack the capacity to do well on performance tests.

This section captures an important truism of education in Washington: all students do not bring the same skills and abilities with them when they walk through the school door, with deep implications for what they are able to do once inside. School and district administrators are well aware of this issue and are making efforts to ameliorate the inequality. Such efforts include increasing instructional time by providing prekindergarten, longer school days and year, and more time on core subjects; improving the learning environment by reducing class size, changing schedules, increasing students' awareness of the learning process, and providing non-academic services; and enhancing learning through instructional improvements and individualized attention.

While educators identified these initiatives as actions they feel are important to improving student performance, they face many obstacles in implementing them. One of the most widespread strategies that our study districts employ is increasing the amount of time students spend on task in tested areas. But educators have a limited amount of time to spend with students each day, and extra instruction techniques that spill over standard school hours require additional funding and create conflicts with teachers' personal obligations and union contract restrictions.

Constraints on teacher time and funding also impact schools' abilities to utilize supports that extend beyond instruction for students who need access to additional resources to prosper educationally. Educators feel that the presence of psychologists, counselors, drug-dependence therapists, and intensive English instructors all improve student performance, but they cited difficulty in funding these resources. More generally, respondents felt that stronger relationships between students and staff were helpful, but they observed that staff time was already stretched too thin to allow deeper relationships to develop.

Many of the strategies discussed in this section are problematic not simply because they require additional resources but also because these additional resources appear to be awarded—from the perspective of respondents—on the basis of random, nonstrategic, or otherwise unpredictable processes. Respondents mentioned that federal, state, and philanthropic grants, as well as funding for certain initiatives (such as “hazard pay” for teachers), can all wreak havoc with their planning processes as well as the continuity and strategic effectiveness of academic programs. In short, respondents frequently reported feeling frustrated by what they are unable to do, the randomness of funding, and the choices or the trade-offs they have to make.

Finally, beyond the concerns over the time and funds available to increase student capacity, educators sometimes find themselves up against a range of stakeholder interests that at times are not aligned with student performance goals. An important finding of our study is that community sentiment, union demands, teacher preferences, and parent concerns can all have a strong impact

on the education strategies selected. Even educators themselves admitted to feeling uncomfortable adopting certain practices that are overly focused on a single definition of education or success (such as devoting a larger percentage of time to tested subjects). In sum, educators feel as though they are trying to meet a wide range of demands, including trying to improve student capacity, and that they often lack the necessary resources to do so.

The following section details a range of strategies educators have employed to try and improve the capacity and motivation of students. It also explicates many of the challenges they face in trying to do so.

Student Performance Challenges

A major theme across districts involved the significant challenges posed by a lack of student preparedness, changing student demographics, and increasing student needs.⁴ According to study participants, a lack of student preparedness poses problems at all levels of the system, but particularly at the prekindergarten and high school levels and stems from factors such as family mobility, a large number of non-English speaking and minority/immigrant households, an increasing concentration of poor students, and an increasing number of special-needs children. One district reported a mobility rate of 30 percent. Administrators in an urban district noted that the variety of non-English languages spoken in student homes totals over 130, yet they are required to take assessments in English. Further, immigrant parents are often unable to help their children with homework because of time or language constraints, and some are simply not involved in their children's education as a consequence of cultural norms. In one district with a high Hispanic population, respondents noted that children often live in cramped quarters with insufficient diets and sometimes return with their families to Mexico for up to eight weeks during the winter. These children then fall further behind during their absence. Districts also struggle to bring to standard children who may never have been in a classroom before or who have experienced significant trauma, such as the ravages of war. Demographic shifts within districts may exacerbate this problem. In one district, high levels of "white flight" have left behind only the poorest, mostly non-English speaking students.

In addition, interviewees commented that home environments and a lack of parental support can contribute to poor student performance. Parents in poor communities may not know how to support their children or understand how to operate in the public education system. Officials in two districts noted that drugs in the home environment, particularly crystal methamphetamine, are greatly impacting students' readiness to learn. Study districts also face challenges associated with children in foster care or with mental health problems; children with other barriers to learning such as a lack of accessibility to learning materials in the home, lack of sleep or basic nutrition, and exposure to unsafe neighborhoods; and high numbers of seriously disabled special education students. In one of the study districts, an interviewee indicated that minority children from dysfunctional families struggle more than bilingual students and that a history of racism in the education system has made parents distrustful and angry.

Interviewees noted that children enter schools behind grade level, and in some schools more than 50 percent of children are below standard. Across the districts, respondents talked about the difficulty of the WASL and the challenges of bringing all students, especially special education and ELL students, up to this standard with the resources currently available. They also noted that

⁴ For a description of demographic shifts and changing student needs, see appendix B, pg. 134.

many children who do not qualify for categorical programs—and therefore may not be able to receive additional services—also have difficulty passing the test.

Even in the wealthy study district, underperforming students were cited as the most critical challenge faced by the district. Although the majority of students in this district are extremely high performing as evidenced by their standardized test scores and college admission rates, interviewees feel it is a challenge to maintain the high quality public education that the local community demands while simultaneously meeting the needs of the relatively small number of underperforming students, with one administrator noting that state accountability and local accountability are two different things.⁵ Two administrators in this district feel that support is lacking for children who are below average but do not qualify for special education services. As one stated, “in [District Three], you have a program that academically is geared toward either your AP [advanced placement] or your special ed. There’s no in between.” A common theme with administrators in this district is that meeting the needs of these underperforming students is especially difficult because it must be done without taking away from the high-performing students:

Our challenge is carving out of that huge community demand for AP classes, honors classes, [and] gifted classes the resources and the attention to deal with those kids who aren’t making it, who aren’t passing all four WASLs. And that’s the struggle . . . to spread the very limited resources in two very divergent places and to adequately address both.

Strategic Efforts to Increase the Capacity and Motivation of Students

As discussed above, each of our study districts faces challenges in educating its student population. To help bolster student performance, districts employ numerous new strategies with the intention of improving student capacity and increasing motivation. One of the most widespread strategies that our study districts employ is increasing the amount of time students spend on task in tested areas. To do so, they provide students with tutoring services after school and during the summer and squeeze some time out of the existing school day as well. In addition, schools are using the school day differently, providing more time on task by cutting back on electives and providing double blocks of classes. Districts are also attempting to create more effective learning environments by managing class size, reorganizing classrooms, and providing noninstructional support. Finally, districts place a great deal of emphasis on differentiating instruction by tailoring learning to the specific needs of individual students. Most of these activities have been designed for students performing below standard and aim to improve proficiency in tested areas. Educators face many obstacles in implementing these initiatives, chief among these being limitations on teacher time and funding, although various stakeholder interests also play a role.

Districts/schools are increasing the amount of instructional time through prekindergarten, longer days and years, and more time on core subjects. District officials and principals are trying to increase the amount of instruction students receive by focusing on key ages and time periods available for learning. Most districts are implementing or re-vamping a majority of the following programs: prekindergarten schooling and full-day kindergarten

⁵ One respondent in the district observed that when students are required to pass all four parts of the test to graduate, 10 to 15 percent of students will not make it. Such a rate is “not acceptable in our community.”

instruction designed to form foundational literacy skills; extended-day or after-school instruction to help cement new or difficult concepts; and increased amounts of instruction in core subjects during the regular school day. Across all districts, teacher time is viewed as a critical but limited resource, and one district with money to spend feels their ability to purchase extra teacher time is an important factor in their success.

Prekindergarten and kindergarten instruction is a major area of focus and investment for all districts. An academic officer in the beating-the-odds district summarizes a common sentiment:

We spend a lot of our money on providing full-day kindergarten [because] the state only goes half-day. But we just feel it's vital . . . Research is saying three to five years are the most [important] years in a kid's life, and we don't even get [them from age] three to five. So, how can we make a difference in their life?

These programs are viewed as particularly important in lower-wealth areas and regions with substantial non-English speaking populations. In these districts, parents often have lower levels of educational attainment and English literacy themselves and are less likely to be providing educational opportunities at home. Interestingly, early-learning programs appeal to decisionmakers not only for their perceived benefits to children, but also for their ability to help retain teachers, many of whom become frustrated with the number of unprepared children arriving in elementary school classrooms.

Officials view extra instruction as critical not only for younger children preparing for primary school, but also for students in higher grades. One superintendent made his case for such programs by drawing attention to students' differential learning rates:

So what do you devote your money to? First of all you have to devote money to teachers, that's what happens. Secondly, extended learning, because if you've got to get to a paradigm that all kids are going to learn exactly the same amount in 180 days, that isn't going to happen. It hasn't happened ever, so it's not going to happen in the future. So the extended learning is the only way you can give kids more time. And we call it the gift of time.

Extended-learning programs take many forms: study-halls, before-school and lunch-time assistance; "Gear Up" programs in which university students provide tutoring and mentoring; summer schools and summer "math camps." Districts have not taken many formal steps to measure the impact of these programs, but they cited a range of evidence in support of their efficacy: students attending on time and in large numbers, and teacher recognition of increased subject mastery among attendees. One district discovered that its summer school program was academically ineffective, and the superintendent stated that the program would focus on student achievement rather than seat-time in the future. A problem with these programs is that they do not help students who are either unwilling or unable to stay after-school or attend summer school.

Officials are also targeting standard learning hours to increase the amount of regular instructional time spent on core subjects. All five districts mentioned rearranging the schedules of either their entire student population or a subset of struggling students to offer extra help in math and reading. One district showing achievement gains sets aside a "sacred" 90-minute reading period in which all teachers are assembled to help with reading skills in small groups. Others double the amount of daily math instruction or provide a "tutorial hour" of math help

after class. These sorts of schedule changes cannot always be accommodated though: a human resources official complained that the union contract prohibits looping (keeping students with the same teachers for more than one year) and a principal commented that block scheduling (having some classes last longer periods of time) is almost impossible in a high school of greater than 1,000 students because it increases class size and leaves little time for teacher planning and training.

Providing additional core-curriculum instruction during the school day does involve trade-offs. Officials often compensate for the extra math and reading time by reducing the amount of instructional time dedicated to social studies, art, and other non-core subjects. As a result, they view the new intensive core-instruction programs with mixed feelings. While they understand that such focused instruction in core areas may be necessary for some students to meet standards, they also believe that students are better prepared for citizenship and remain more engaged at school when their education includes music, art, and sports. An example of this tension between core and non-core instruction arose in interviews in two of our study districts that have alternative education programs in which students spend several days outdoors to develop leadership, problem-solving, and survival skills. The officials we interviewed unanimously touted the benefits of the program, and one noted that if he were to “tell the parents we’re not going to have that anymore, [he’d] be gone.”

Districts/schools are trying to create more effective learning environments by reducing class sizes, changing schedules, increasing awareness of learning processes, and providing non-academic services. In all five districts, officials are focused on reducing the number of students per classroom. This strategy is particularly prominent in Washington as a result of the I-728 class size reduction initiative.⁶ What is particularly striking about the popularity of this strategy, however, is the fact that so many district-level officials acknowledge that current spending in this area is unlikely to result in achievement gains and that the spending has been driven by adult interests rather than student needs. As the following quotes illustrate, many district representatives fully realize that the dollars spent in this area are insufficient—according to research on the subject—to impact student achievement in any meaningful way:

There was a sense that that’s [class size reduction] what the community expected when they voted for I-728, even though we were not able to lower class sizes sufficiently to really get any real . . . benefit, at least based on the research. But it was certainly something we thought our community expected, so we did that.

There’s no research that will probably prove this to be true, but when you reduce class sizes, especially in the elementary, from 27 or 28 even just down to 22—most of the research says you have to be 12 or 15—and now you’re making a big difference. It takes the tension off of those rooms when you can do that. It’s just easier to deal . . . I was in the classroom, so is getting around to 22 kids easier than 28? Yeah, probably. Is there probably less monkey business going on that you have to deal with without those extra six kids in the classroom?

I don’t feel like the district has really been able to make a significant reduction in class size . . . You know research says to truly be effective with class size it should be 15 to 1, and what we’ve basically done is we’ve kept it at 25 to 1. So it’s hard

⁶ See appendix B, pg. 122 for a more detailed description of I-728.

to show, but the reason that we felt that if we didn't put it towards teachers, that . . . we'd lose teachers if we didn't do that.

The state funds [are] based on . . . the basic ed allocation model for what they think that the class sizes should be for the district. We have a negotiation with our teachers union that requires a lower class size, and so we spend levy money . . . towards funding certificated staff to have a smaller class size. And, of course, everyone in the community thinks that we should have even smaller class sizes.

Spending on class size reduction continues in spite of officials' belief that it is unlikely to contribute to improved performance. Thus, an important finding of our study is that community sentiment, union demands, and teacher preferences play a larger role in determining resource use with regard to class size than research that describes benefits associated with given reform investments. While the desires of these other stakeholders may certainly represent legitimate inputs into decisionmaking, it is not clear that district decisionmaking weighs the myriad costs and benefits associated with differential resource use.

Several respondents drew attention to ways in which scheduling changes could improve learning. A principal in the beating-the-odds district touted the benefits of "master scheduling" in which kids have a common lunch time but spend it in their non-core subject of choice (e.g., PE, music, art) rather than heading out to the "pathetic playground" where "neighborhood issues" creep in and play out. This type of scheduling also allows a nearby district to have a common period for reading instruction, lowering student-teacher ratios and ensuring highly targeted instruction. Regarding the yearly calendar, a union official said that at least one school had tried and liked an alternative calendar since it shortened summer vacation and the amount that students forgot, but said that it was problematic for families with children in different schools. The program has since been discontinued.

Part of learning is learning what one needs to know and "how to learn," and several of our study districts are trying to engage students in more aspects of the learning process. Specifically, educators focus on increasing students' awareness of the importance of testing, improving their understanding of requirements and ability to connect lessons with the WASL, and increasing their participation in projects that put them in control of their own learning. Also, several districts are employing strategies to help students understand what they're learning at a higher level. A principal stressed the importance of creating "clear learning targets" for students, and another noted that she had asked teachers to put the daily lesson "roadmap" up on the board to keep the links between instruction and learning objectives constantly in sight. One district is very focused on increasing the use of "thinking maps" among both staff and students. A few respondents use grading rubrics, which give students a clearer picture of their strengths and weaknesses.⁷ Finally, several of the educators we interviewed have implemented programs designed to place students in control of their learning and futures. In their senior year, high school students must now complete a state-required "culminating project," which requires independent work and consultation with faculty members. Two of our districts are focused on making students "managers of their own learning," requiring students to keep portfolios of their best work and lead their own conferences with teachers. The academic officer in one of these districts spoke of a workforce program that teaches students about "self-advocacy," and noted

⁷ One respondent noted that rubrics offer the additional benefit of allowing community volunteers to grade written assignments more easily and accurately.

that one of his principals has created a “meaningful work program” in the elementary grades in which students apply for jobs (putting on the school news or assisting teachers) and receive performance reviews. Finally, one building principal in District Two described discussions regarding a “hold back” policy in which students who have not achieved a minimum level of credits are not permitted to progress to the next high school grade. He believes such a program will motivate students to be concerned about passing their classes earlier in their high school career.

In three of our study districts, administrators mentioned programs or course offerings that are specifically aimed at engaging students, thereby encouraging them to stay in school and consider post high school career and education options. District One in particular appears to be focused on retention. The middle school in this district has received a Gear Up Grant to help students prepare for undergraduate education. And one administrator in this district described the district maintaining a large athletic program because he believes that participation on an athletic team motivates students to stay in school. Because the district also maintains high GPA requirements for athletic participation, this further motivates athletes to do well. A number of districts, including District One, include vocational course offerings in their curriculum. Such courses are believed to both encourage students who may not see the benefits of a traditional education to remain in school as well as offer these students valuable vocational skills useful after graduation. In District Four, course offerings include more traditional vocational programs such as auto mechanics, but also include culinary arts, fire fighting, and nursing. These courses are selected based on the needs of the local job market.

Respondents across all of our study districts and at different levels of the school system stressed the importance of providing non-instructional support in improving academic performance. An academic officer was grateful for the presence of a counselor at every elementary school in her district. Another lamented the fact that only one intervention specialist exists for a high school with many drug problems. A board member said although she couldn’t “prove it,” she feels that having a diverse staff is “essential for improving achievement” and motivates students to “achieve more.” And the academic officer in a high-achieving district spoke of fostering more and stronger relationships between adults and students in the system.

Districts/schools are instituting instructional improvements aimed at enhancing learning. As a finance officer in a large district explained, current teaching practices are not necessarily oriented towards students:

We’re not good here either at the macro level of providing learning and teaching . . . We approach it as from a teaching and learning view. So in other words, here’s our model, “You student please do this because we’re the experts.” And there are specific things around how students learn that we have not investigated or developed. And, therefore, we are not approaching learning from a learning standpoint. We’re approaching learning from a teaching standpoint in the old way . . . And because of the diversity of our kids, and the various cultures and ethnic groups, etcetera, that we have, we’re just not keeping up with being able to shift from our lumbering bureaucracy to one of saying, “These are our customers, and they have these specific needs, and how are we going to help them learn?” I’ll just say one example . . . We should, at a very early age, be working with kids to help them self-discover how they learn, and we don’t do that. And a lot of our staff still have, and I don’t say this as a criticism, but staff still have the idea that,

“I am the guru, and you’re supposed to shut up, sit down, and listen to what I have to say.” And, and we know it doesn’t work.

While a large number of our respondents stated that teaching styles have begun to change—teachers might ask students to explain how they solved a problem or try and develop students’ analytic skills, for instance—several also complained that educational institutions are not providing teachers with solid instructional method training and that lessons suffer as a result.

District officials and building principals view teacher time as a resource, and are making some changes to practice, hoping they might improve student performance. A few discussed the importance of finding new ways of teaching math so that the material appeals to more students, and an academic officer in the innovative district remarked that the district’s summer math camp would, in fact, be moving away from remediation and towards a new “thematic approach” to math instruction. Finally, a few stressed the importance of having enough bilingual para-educators to ensure that students do not fall too far behind in all subjects simply as a result of their limited English proficiency.

Districts/schools are also individualizing instruction by targeting specific subgroups comprised of students below or near standard, student parents, English language learners, transitioning students, and gifted students. In terms of performance, the education officials we interviewed see different needs in their student populations. Consequently, they are striving to group children according to their needs and provide the appropriate type of specialized assistance to each group. In general, individualized instruction includes finding ways to have students work in smaller groups with more focused and intense instruction. A few districts have added reading and math specialist positions, and several have brought in outside volunteers such as student teachers, parents, or the elderly to help with reading and writing practice. One principal was able to quantify the efficacy of such small-group work, stating that he saw a one grade level gain in reading ability for every 17 hours a student spent working in a “reading pod” which featured a 4:1 instructor-student ratio.

Districts are also targeting additional resources to specific subgroups of students. The most common—and often the largest (and growing)—subgroup in their student bodies that educators target is at-risk children performing well below grade level. To help these students, districts have installed at-risk or intervention counselors in schools, used I-728 funds to place incoming students in smaller classes, adopted “intensive care programs” for 9th graders performing below standards, used a “drop-out grant” from the governor to increase remediation, and designed “alternative learning” programs to reach “tuned-out” students. One district has even created a “Dreamer’s Program” which allows wealthier citizens to “adopt” at-risk students, mentor them, and help pay college expenses if the student pursues further education. One of our districts has a contract with a local community college for “drop-out retrieval,” though a school board member questions this use of resources.⁸

Many officials consider instructional time and focus to be key factors in student learning, and many districts are trying to provide struggling students with small chunks of more personalized and targeted instruction to raise achievement. Many districts pull struggling students out of regular classes for 15 minutes of individualized computer instruction or tutoring. Other districts are eliminating at-risk students’ participation in “exploratory” subjects completely to provide

⁸ \$1.5 million in levy funds were used to purchase the 310 FTEs involved in this program, but only 0.5 percent of the intended beneficiaries received GEDs.

them with extra hours of math and reading help, though this practice is controversial for its narrowing of the curriculum. In addition, a high-performing district recently implemented a “target-team” initiative in which math and language arts teachers work together to ensure that struggling students receive the help and support they need to develop WASL skills. A union official remarked that the district was hoping to expand the program by asking each teacher to take responsibility for five students, but noted that the financial and especially time resources available would be inadequate to make the program meaningful.⁹ In general, officials seem to feel that resources to help at-risk students are lacking. While the academic officer of a large study district remarked that state-mandated IEPs had made it easier to direct resources towards special-needs students, a few principals in the district said that finding *enough* such resources was difficult.

Two of our study districts have specifically targeted resources for students whose performance is right on the cusp of meeting WASL standards. These districts use data, including Dynamic Indicators of Basic Early Learning Skills (DIBELS) and Iowa Tests of Basic Skills (ITBS) data, to sort students into groups or levels on the basis of their skills and then attempt to provide instruction that will push each group to the next level. In one district, several respondents highlighted their creation of a “school within a school” to help students “who just need a boost to get to the next level.” One principal discussed how his school tries to determine which students are “on the bubble” by using ITBS math test scores to project future WASL scores. The school then designed a special math camp to help these students meet standards. However, several respondents seemed to suggest—and one explicitly stated—that too much overt “tracking” upsets both teachers and students. Such comments suggest that officials may need to find ways to balance the need for individualized and extra instruction with concerns regarding privacy and fair treatment.

In one of our districts, respondents identified students with children as a key subgroup in need of resources. This district is developing programs to address these needs, as the district superintendent explained:

One of the programs we're working on for next year in terms of looking at better serving students is our program with teen moms. That's one that I think is very underfunded, and what we're trying to do is look at a way to purchase some property to be able to serve moms in conjunction with seeing if we can contract with a daycare provider to come in, and that would be an example of a very expensive program to run . . . But if we don't deal with the needs of those kids, and if we don't train those moms to parent those kids, I'm going to have those kids at my door in three years. So that would be an example of why you need to . . . be proactive. So for me to say I can't afford to meet the needs of these babies is true. I can't. But how can I not? Because in three years they're going to be developmentally delayed with no literacy skills showing up at school.

Thus, programs to keep student-parents in school serve two important functions: they allow the student-parents to further their own academic and life skills education, and, when paired with quality day care, they may provide the children of these students with better early-learning environments.

⁹ She also expressed concern about the amount of additional recordkeeping such programs require.

One of our study districts enrolls a large number of non-native English speakers and spends much more than other districts on programs designed to help these students learn. The board president in this district mentioned that she is interested in investigating a “dual language immersion program” that could serve as a cost-effective alternative to the district’s current “gazillion instructional aides.” This sort of a program would group students speaking the same language together in a building to both cut costs and provide an improved social environment for students.

Educators at the district level also believe that transitions into and out of various levels of the system are key time periods for students. To support ongoing academic achievement, officials have implemented programs to make these transitions as smooth as possible for students. At the primary level, a superintendent brings in preschoolers and their parents for regular tours and family nights to get them excited and involved and provide them a sense of belonging. This superintendent also works with private preschool providers outside the system to teach them about curricular offerings in literacy. At the middle school level, an academic officer oversees web-linked programs that help students transition to new schools and stages of learning. At the senior level, several principals mentioned that adequate language arts and math support in the early high-school years is imperative for preventing academic performance problems that tend to show up in later years.

In general, performance pressures have directed educators’ attention to the low end of the performance spectrum, but not the high end. Only one of our districts (District Three, the wealthy, high-performing district) seems particularly engaged in assessing and serving the needs of gifted students. Most districts are exclusively focused on struggling students, and, while respondents in the other four districts occasionally stated that they were trying to do so without “neglecting” high-performers, they rarely mentioned initiatives designed to challenge students already meeting standards. In District Three, by contrast, the academic officer spoke at length about the importance of serving the needs of high-achievers.¹⁰

Districts/schools are providing limited types of financial incentives to students. One of the ways educators feel they can improve student performance is to increase students’ own motivation to learn and perform by offering extrinsic incentives. While none of our districts or schools offers purely financial rewards to students, several do appear to have small programs in place that reward individual behaviors with prizes or recognition ceremonies. Such programs tend to be relatively isolated and conducted on a small scale.¹¹ This may be partly due to concerns that placing too much pressure on students may have negative consequences. Though administrators evaluate these actions positively, it is not clear to what extent they actually produce any discernable difference in student motivation.

¹⁰ He also noted, however, that the board was “philosophically opposed” to pulling gifted children out of the classroom, fearing that too many parents try to get their children into such programs and that the schools housing such programs begin to seem more “desirable” than others. The board thus initially voted against a gifted program before it eventually approved one.

¹¹ In District Four, an Accelerated Reader program recognizes students who read on their own. As a reward, they sign a “book of excellence,” receive a special pencil, and have their names printed in the newspaper. District Four also uses public recognition to encourage its students. The school board meets at a local school once a month and the principal of that school is asked to honor a few students. These students, who are not necessarily the highest-achieving students but rather those showing improvement, receive a certificate from the school board, a handshake from the superintendent, and they may also get their names printed in the paper. Students who improve their GPAs may be given a “GPA improvement party.”

Some study districts are using these small-scale extrinsic incentives to encourage students to recognize the importance of the WASL. In both Districts Four and Five, district and building administrators have tried to create an atmosphere in which students take the WASL seriously. In District Four, the superintendent explained that around the time the WASL is administered the district “makes a big deal about the test,” offering snacks and donated cookies to students during testing. In previous years students were taken to a skating rink to reward them for taking the WASL, though funding is no longer available to do so. To reward students for passing the WASL, the district has a celebration and their names are printed in the local paper. They also receive certificates of achievement. In District Five, students are given WASL T-shirts, and 4th grade students receive special privileges. One principal described holding a “spontaneous dance” to reward kids for working hard to do well. The same principal gives seals of achievement for different areas of the WASL when students graduate from 8th grade. Yet, he also believes that creating a “culture of achievement” around the WASL is more important than implementing any specific incentive program.

While they believe these incentives serve as important motivators to students on this critical test, administrators also expressed some concerns with focusing efforts on the WASL in this way. Parents have complained that their children are overly frightened about the test and one building principal has heard of students developing anxiety or being unable to sleep the night before the WASL. A superintendent stated that a “real balancing act” is required to capture students’ attention without unduly upsetting them.

This section has described efforts to improve student performance by directly targeting the motivation and capacity of students. In the next section we turn to efforts designed to improve student performance by improving the quality of teaching.

The Capacity and Motivation of Teachers

Teachers comprise a critical interface between students and the educational system; few people doubt that skilled, dedicated teachers are a primary ingredient of student performance. In our study’s framework, both teachers’ capacity to teach and their motivation for doing so are important components in understanding their contributions to student performance. Additionally, teacher salaries represent the largest district line item expenditure, making teachers a school district’s most valuable resource. Respondents indicated that, unfortunately, not all schools and classrooms in our study districts are staffed with effective teachers.

While some of our respondents praised their teaching staffs very highly and drew attention to the multitude of ways in which teachers have risen to new challenges, many also pointed to deficiencies that are inhibiting both student performance and change within the system. According to our interviews, some teachers, especially older ones, may overtly resist system changes, harbor “anti-WASL and assessment” sentiments, or remain unwilling to change teaching methods. On the other hand, newer teachers may struggle more than experienced teachers to provide individualized instruction. And while some teachers now focus daily lesson plans on essential learning and WASL thinking skills, others have made much smaller strides in this direction.

School district officials and building principals have initiated a number of strategies in an attempt to raise the capacity of teachers and improve student performance. Professional development has been a key focus of these initiatives, with respondents choosing professional

development activities more selectively on the basis of proven effectiveness, alignment with standards and identified needs, and the likelihood that the training will improve classroom instruction. Districts are also attempting to improve teachers' instructional skills by teaching them how to use student data, assigning mentors to new teachers, promoting collaboration, and adopting more rigorous performance evaluations.

Educators believe these initiatives will help them attain their student achievement goals, but they have found that effectively implementing them is a challenge, if not an impossibility. Professional development, for instance, is stymied by lack of time, lack of funds, and, sometimes, lack of teacher motivation. The inability to conduct a minimum amount of training, in turn, impacts districts' abilities to alter instruction or adopt new curricula and thereby improve student learning. In addition, according to our interviewees, the salaries of teacher coaches and other instructional experts are not covered in basic education funding, meaning that districts must piece together grants and other unstable sources of funding to employ them.

While districts and schools are attempting to use resources to improve teacher capacity in myriad ways, our interviews indicate that efforts to use resources to motivate teachers are limited. Some districts and schools are experimenting with incentives to draw teachers to hard-to-staff districts, schools, and subjects, but individual-level financial incentives—especially those turning on the performance of educators—are rarely used. Use of financial incentives often appears to be stymied by a lack of funding as well as union and administrator resistance.

The following section details a range of strategies districts and schools have employed to try and improve the capacity of teachers and tap into their motivation to see their students perform at higher levels. It also captures many of the challenges they face in trying to influence teaching in these new ways.

Strategic Efforts to Increase the Capacity and Motivation of Teachers

As noted above, school district officials and building principals have initiated a number of strategies in an attempt to raise the capacity and motivation of teachers. These efforts primarily involve improving professional development, human resource policy and practice, and teacher collaboration.

Districts/schools are attempting to choose professional development based on proven effectiveness and alignment with goals. School and district administrators described a significant shift in how professional development is chosen, moving toward a model in which professional development is based on both proven effectiveness as well as alignment with broader goals. Administrators described using student performance data to drive their choices about where to focus their efforts. As an example, four of the five study districts reported hiring coaches to focus on either literacy or math and in several cases both. These decisions were based primarily on students' performance on the WASL exams, with a particular emphasis on helping those students whose scores fall on the lower end. As one building principal explained:

My staff is . . . doing prioritizing and curriculum mapping with the state GLEs [Grade Level Expectations] and so forth. So our building has just spent the year investigating all of that information. It is really a philosophical kind of change to go from, "This is fun in second grade; I've done it for 20 years," to "Is it really a priority; is it an evidence for a grade level expectancy?"

In addition to selecting professional development that is effective and targets specific deficiencies, administrators described making decisions about professional development that are in line with the broader goals of the school or district. As one building principal in District Two observed, over the past five years his school has prioritized personalizing the relationship between teachers and students, which involves more than small classes:

There are structures in place . . . to help personalize the relationship with kids and have a common language and . . . have common planning periods so that teachers can sit around a table like this and talk about, “Okay. Why isn’t Johnny ‘getting it’, and what can we do here?” . . . So we can put those structures in place, but really the key is . . . what that teacher is doing in planning and developing in the classroom and what his relationships or her relationship is with those kids in the classroom. We can put together small schools, but it’s not going to change unless the teacher in the classroom knows how to use a variety of instructional strategies, knows how to develop relevant curriculum and rigorous curriculum.

Districts/schools are trying to make professional development more relevant through embedded training. In all five study districts, administrators described a shift in the professional development strategies they employ. Driven by new accountability standards that have forced them to focus on student performance outcomes, administrators have sought ways of creating a tighter relationship between professional development and what happens in the classroom. Although all districts still use some “drive by” strategies such as sending teachers to the Office of Superintendent of Public Instruction (OSPI) conferences,¹² the vast majority of their professional development resources are spent on embedded training, which often takes the form of coaching and in-service trainings with direct applicability to curriculum.

Several districts described their professional development strategies as an “embedded model,” and they attempt to craft their efforts at professional development toward this end. As an example, our matched, high-performing district has begun holding a “math institute” during the summer. The math institute is geared toward increasing both student and teacher capacity; students attend summer school in the mornings and teachers participate in “action learning labs” in the afternoons. An important component of embedded training is that teachers improve their skills while working directly with students. One of the most salient ways in which this model is implemented is through the use of coaches, teacher coaches as well as educational consultants who act as coaches.

All five districts described using teacher coaches in some capacity. These coaches are generally current or retired teachers who are “experts in their field.” As this district academic

¹² While respondents describe a constant shift away from merely sending teachers to conferences and toward embedding training within the school, they do continue to utilize conferences and workshops, many of which are sponsored by OSPI, as a way to provide training for teachers and building administrators. Districts make varying use of OSPI conferences and some administrators express skepticism as to whether such models are effective. One superintendent pointed out that despite her own belief that conferences are ineffective at improving teacher capacity, teachers themselves describe the experiences as valuable. In District Four, a building principal found that after sending teachers to a conference on WASL scoring they returned excited about what they had learned and eager to share their knowledge with other teachers—a requirement instituted by her district. Similarly, to increase total exposure to conference sessions, District Four also makes an effort to assign teachers to different sessions. These strategies are geared toward maximizing the effectiveness of these efforts, though it is unclear whether they are successful.

coordinator explained, coaches both help teachers implement what they have learned and hold them accountable. The benefit of having a coach is:

When you go to the professional development, then you need embedded staff that hold people accountable to monitor and help the teachers do that type of instruction in the classroom. They're just not going off to a training for a week and then they come back and expect to implement. There's someone there beside them that says, "Let me show you. Let me help you. This is the data we have now. Here are some things we can do. Let's reorganize and readapt."

In line with the focus on increasing the capacity of students to perform on the high stakes WASL exam, schools that employ coaches generally do so in the areas of literacy and math. In the rural study district, each of the elementary schools has a reading coach and the four elementary schools share a math coach. The superintendent is hoping to place a math coach in each school. In District Two, building principals reported using both literacy and math coaches, though to different degrees based on the ability of each school to support these activities. In our high-performing district, administrators appeared to express less concern with focusing their coaching efforts on basic math and literacy. They did report hiring a math coach, however, in this case the focus is on assisting teachers in improving their students' math SAT scores using model teaching and demonstrating curriculum mapping.

Our matched, high-performing district uses TOSAs (Teachers on Special Assignment) for literacy improvement and is in the process of hiring a math specialist for K-5; however, they have also had to cut rather than add positions over the past few years. Administrators in our matched, low-performing district also reported using TOSAs in reading and math in each of their buildings, a direct response to poor WASL scores in the district. TOSAs in this district work with individual teachers within the classroom and meet with teachers' grade level teams to work on structuring lessons, with a focus on ensuring that critical information is covered. District Five also reported sending some teachers through the Teaching Technology Coaching Initiative (T2CI), which trains teachers to coach other teachers in integrating technology in their classrooms.

Although many of the coaches used to improve teacher capacity are current and former classroom teachers, districts also reported hiring educational consultants to work with teachers. District Four administrators reported hiring a number of expert consultants to come to their schools and work with teachers. Several districts have hired the Northwest Regional Lab to coach teachers in cooperative learning strategies and to work with elementary and high school math and science teachers. In our high-performing district, the union representative noted that because the school board is pushing for higher math achievement for all students in the district (which in this case means that all students should have taken calculus by graduation), the district hired a consultant to work with math teachers.

Districts/schools are aligning training with state standards and preparing teachers to use curricula effectively. Curriculum mapping is an important focus in improving student performance. Districts in our study are putting forth efforts to train teachers on both the mapping and implementation of new curricula in order to ensure that students are receiving information which will effectively help them reach grade level expectations and pass assessment tests as well as to ensure that the curricula the districts purchase are used correctly and effectively by teachers. All districts, with the exception of our rural district, reported either doing training or

hoping to do training in curriculum mapping for teachers. In District Four, a literacy expert was hired to teach curriculum mapping. This training was embedded within the school day, though teachers are also received “homework” assignments over interim break. Building principals in several other districts reported meeting with teachers themselves and training them in curriculum mapping. In two other districts, curriculum mapping was mentioned as an important focus of future trainings. In one district, a fall staff gathering will include curriculum mapping in writing, and, in another, a building principal reported writing a grant for a curriculum coach whose efforts will be focused on mapping.

One critical aspect of the implementation of new curricula models is training teachers to use them effectively. In all five districts, implementing these trainings was described as an important aspect of the efforts that administrators make toward increasing the capacity of their staff. Respondents reported implementing trainings for various reading, literacy, math, and science adoptions. For instance, in District Three, teachers are trained to use The Writers Workshop. In District One, teachers attend Open Court trainings off-site, and once a month elementary teachers work with an Open Court consultant. One building principal also reported receiving a NASA grant, which she intends to use for professional development in science.

In addition, one of the greatest student performance challenges that administrators described is providing high quality education in light of the increasing numbers of English language learners. To meet this challenge, two of the districts reported implementing Project GLAD (Guided Language Acquisition Design), a professional development model designed to present teachers with strategies to promote language, literacy, academic achievement, and cross-cultural skills in the context of multilingual classrooms. While the training was reported to be expensive and require a large investment of teacher time, the principals who implemented it feel that teachers benefited tremendously from the experience and that the strategies are effective, especially for children in poverty. Because the training involves a great deal of “hands on” work by teachers and involves practice in follow-up, principals feel that teachers are both excited about and are able to utilize the strategies they learned in their classroom. One building principal observed, “I can go into every class in my building and I’ll see GLAD strategies involved in instruction, or evidence in the room that they are being practiced.” To sustain this positive effect, this principal hired a literacy coach who is also a GLAD trainer so that ongoing training is available for teachers who need it.

Districts/schools are training teachers to use student performance data in an effort to improve instruction and determine instructional needs. Both district and school administrators emphasized the need for teachers to understand how to interpret student test scores as well as how to utilize these scores to target specific skills. One principal explained that she stresses the importance of assessment, attempting to “arm” teachers with data.¹³ To help teachers make use of data, several districts reported spending professional development funds on trainings aimed at improving teachers’ capacity to use student performance data. One study district implemented OSPI’s School Improvement Planning Tool, which requires a great deal of training for teachers. This same district reported implementing a DIBELS (Dynamic Indicators of Basic Early Literacy Skills) system to help teachers track early reading skills. Another district has hired an assessment specialist to improve teachers’ ability to utilize assessment data. In our

¹³ Because many of these teachers are from the “pre-computer” generation, she put together a paper packet from WASL and ITBS scores.

rural district, 85 percent of teachers have received training in using student performance data to improve their teaching. Though this training is not required according to the superintendent, the assistant superintendent observed that in this new era of accountability these teachers must either accommodate or move on:

We've done extensive training on data-driven practices, and some people are on board, and some aren't. It's our job to get [them] on board. And so, we're not [taking] excuses. That's just our job. And people get on board, or they can go work someplace else.

Districts/schools are trying to improve instruction by mentoring new teachers. An important component of improving teacher quality is ensuring that, in addition to professional development, new teachers receive extra resources to help them in their first few years of teaching. In our innovative district, for example, the teachers' contract includes provisions for the STAR (Staff Training Assistance and Review) Program. The STAR Program provides an experienced consulting teacher for the first year. Our high-performing district also assigns each new teacher to an experienced teacher from their grade level or department. In both cases, the mentoring teacher is paid a stipend.

A union representative from the innovative district expressed concern that simply mentoring new teachers for a year neglects the important development that occurs in the second and third years of teaching. She regretted that resources are not available to formally mentor teachers beyond their first year. She also observed that while mentoring of first year teachers is undoubtedly important, overloading them with professional development can be problematic because first year teachers can “barely keep their heads above water.”

Districts/schools are reforming human resource policies such as hiring, placement, supervision, and evaluation in an effort to improve teacher quality. Performance improvement efforts have included changes to human resource policies that improve the hiring, deployment, supervision, and evaluation of administrators and teachers. Though these changes are, for the most part, viewed as desirable, administrators face some constraints to implementation and occasionally expressed concerns about these policies.

District Four is the only district in which administrators described making district-wide changes to its hiring process. The district has taken steps to focus its hiring on acquiring the strongest candidates. According to our respondents, this includes both broad advertising of positions, with candidates then being screened by a committee of at least three individuals, as well as attending job fairs to recruit “new young talent.” Once candidates are identified, a hiring committee both interviews candidates and reviews a teaching sample. Though the building principal heads the committee, the hiring team also consists of a teacher at the same grade level, a classified staff member, a parent, and possibly others. Though this process was assessed as being very labor intensive for administrators, their overall evaluation of these procedures is quite positive. As the finance officer explained:

We have a cumbersome hiring process. But I think it's been very beneficial for us in that we're just really trying to get the best person and the best match for the particular need because when you have 82 percent of your budget roughly in personnel . . . it's those folks that—with the right teachers in the right spots and the right climate in the building—those are the ones that can bridge that achievement gap with kids better than anything else we could do.

Many districts are also examining their deployment of staff resources to promote learning. On an individual placement level, both a human resource and an academic officer discussed the importance of matching teachers to the students they can best help. Sometimes this means placing teachers in the right grade level, and sometimes it means determining which teachers work best with certain groups of children, such as special education students. It may also mean deploying teams of teachers who work well together to the same department, program, or school to promote collaboration.

On a larger organizational level, human resource strategies also include using teacher time to perform team-building at both grade- and school-levels, conducting vertical teaming across grades in particular subject areas, focusing on core area staffing before elective staffing, and re-aligning para-educators' time to increase the amount of direct interaction with students. Teachers' responses to these strategies seem generally positive. A principal noted, though, that his ability to concentrate on core subject areas is impeded by the district's site-based decisionmaking processes which allow dissenting teachers to hold-up principals' decisions.

Districts also appear to be focusing their efforts on improving the processes principals use to evaluate and supervise teachers. While, as discussed later in this report in the section on union constraints, principals may face considerable barriers to implementing these procedures, the changes do seem to reflect an ideological shift away from merely "checking off boxes" and toward efforts to ensure that teachers are actually doing their jobs effectively. In our rural district, for example, one building principal described this change in their evaluation system in the following way:

For example, [now] in the evaluation certain things are expected . . . It's not like before where people would just come in and go, "Ok. Ok. Ok. Ok."

As she explained, some teachers have had difficulty adapting to this new style of evaluation. Concerns that teachers respond negatively to being evaluated by principals were echoed by administrators in other districts as well. To avoid this, one district official suggested that supervision and evaluation should be done in a "coaching context" to better promote learning on the part of the teacher. At the same time, another respondent applauded principals who are "not afraid to take a stand" to put teachers who are not performing on notice.

Teacher evaluation was a prominent theme in Districts Two, Four, and Five. Only in District Five, however, did respondents describe developing new evaluation procedures.¹⁴ The new evaluation procedure in District Five, our matched, low-performing district, allows principals to provide more detailed feedback to teachers on areas that need improvement. As the human resources representative explained, under the previous system teachers would receive a rating of either "satisfactory" or "unsatisfactory." Now, teachers are evaluated according to nine learning objective areas that the state has identified. Teachers are then given satisfactory or unsatisfactory ratings in each of those areas. When teachers are found to be unsatisfactory, they are put on an improvement plan. For the first 60 days, teachers work with a coach on areas of improvement. After the initial 60 days they are reviewed again. If needed, they receive another 60 days of coaching. If they do not demonstrate improvement after this time, they are placed on probation

¹⁴ For the most part, administrators' discussions about evaluation and supervision of teachers seem to revolve around the difficulties posed by the requirements of the teachers' contract. These issues are discussed in depth in the section on union constraints.

and termination procedures may begin. While this procedure seems somewhat labor intensive, it is designed to avoid simply moving underperforming teachers to other schools or districts:

There's a thing that probably happens in every school district called a "Dance of the Lemons," where teachers [are] not performing, and they could even be at the para-educator level, and I suppose custodian level. Somebody's not performing, and they move on to a different job or get out from under a principal that has been working to hold them accountable. Four years ago when I got here, I made a pretty bold statement saying, "We don't move our problems. We fix them. Or at least we address them." So we have pretty much established a policy that if somebody is unsatisfactory, or they're having more than a minor problem, I won't move them.

This changing philosophy of teacher evaluation is also reflected in one building principal's strategy for providing supervision and helping teachers improve their classroom instruction. He tries to visit each classroom on a weekly basis as well as use faculty meetings to discuss effective instruction. As he explained, "My belief about the supervision is that it's got to be pretty tight, it's got to be instructional, and it's got to be frequent in that you also have to be in all the classes a lot of the time."

Districts/schools are also increasing the amount of teacher collaboration. Administrators placed a great deal of import on improving collaborative relationships among teaching staff and other educators. Some respondents spoke of their focus on collaboration as changing the "climate" of the school, developing a new kind of working environment.

A teaching staff that collaborates well is important for several reasons. Some respondents described seeing improved communication as an important mechanism for improving instruction. As an example, some principals encourage teachers to meet in grade level teams or with other teachers in their content area to discuss specific instructional strategies that have or have not worked in various situations and for various students. Teacher collaboration is also seen as an important site of professional development, especially in a context of resource shortage or absence. In our matched, high-performing district, one building principal described a new requirement that when teachers attend conferences or other training, they must return to their school and organize a presentation for other teachers to share what they have learned. He has found this model to be both effective and generally accepted by the teaching staff. This principal, as well as others, described making efforts to identify teachers with expertise in specific curriculum or other areas who can provide training to other teachers within the building.

To drive this cultural shift, administrators have attempted to both carve out specific time for collaborative effort and utilize specific strategies. In some districts, early release time is used to ensure that buildings and even districts can meet as a whole. Team-building and "working together" are stressed at these meetings. Administrators also mentioned using book studies and discussion groups to increase collaboration. While these strategies are generally thought to be effective, some respondents expressed concern that the time required to conduct team-building exercises—which is generally carved out from the school day—interrupts instructional time with students.

Difficulties Encountered in Raising Teacher Capacity

While interviewees identified several strategies that they view as important to improving teaching and learning, they also noted that implementation of such strategies is constrained by a lack of teacher time, lack of funds, and sometimes, lack of teacher motivation.

Administrators report that finding time to provide quality professional development is difficult, especially embedded professional development. Though much embedded training occurs during the school day and in many cases inside the classroom, administrators still struggle with the lack of teacher time available for professional development. They point out that teachers often cannot be required to and prefer not to participate during the evenings, weekends, and, in some cases, summers.¹⁵ One district academic officer pointed out that even if teachers were willing to work after school, the district cannot afford to pay them for the extra hours. In District Five, our matched, low-performing district, only half of the two learning improvement days and eight early release days can be spent on professional development. Per the contract, the other half are reserved for planning time. One building principal has tried to reserve some staff meeting time to focus on professional development but feels that the time he is allocated is insufficient.

For these reasons, even when funding is available, principals generally must find time during the school day to hold trainings and workshops. To accomplish this, many schools have created early release days and some also hire substitutes to take over classroom time. While respondents find that time out of the classroom can be valuable for teachers, they also expressed concern that this time must be balanced against the loss in student learning that occurs as a result of having a substitute teacher in the classroom.

To avoid loss of classroom time, two building principals suggested increasing the number of days for which teachers are paid and spending time on professional development over the summer. Doing so would both increase teacher salaries and avoid cutting the number of instructional hours for students. However, one building principal pointed out that teachers are already “pretty booked” during the summers: her teachers sometimes attend trainings on scoring the WASL as well as OSPI conferences and curriculum training.

Administrators feel that money to support professional development is scarce. Lack of funding is a second major problem for districts trying to improve teacher capacity via professional development. Funding for coaches and training for new curriculum, for instance, is limited and, according to our interviews, often insufficient, requiring districts to cobble together funds from diverse—and often transient—sources. In our rural district, for example, the

¹⁵ While collective bargaining contracts vary across districts, each contract stipulates a range of time during which teachers can be required to be in the building. In District One, for example, the contract stipulates that teachers must be in the building from 7:15 until 2:45. These hours pose problems for district and school officials who wish to plan school-wide meetings or other activities outside of these hours as they cannot require teachers to be present. Principals in three districts described different “camps” of teachers, who have quite different attitudes about working outside of these hours. One building principal described three camps of teachers in his building: The first camp follows the union schedule exactly. In fact, he joked that he could set his watch to their departure time. The second camp “comes when they come and stays until the job is done,” sometimes working days as long as the principal himself. The third camp, he explains, follows the union rules sometimes but is also flexible with their time at their discretion. In District Five, one principal finds that some teachers believe they should only work 30 minutes before students arrive and 30 minutes after they leave. He described his attempts to “finagle” meeting times at 7 a.m. on Fridays to review student progress. To do so, he has allowed teachers to leave at the same time as students on these days.

curriculum director reported that the district would not be able to adopt a new research-based curriculum because the district cannot afford to train teachers to use it. As she described, providing curriculum without professional development amounts to “just flushing your money down the toilet.” In our innovative district, one building principal described her school’s shift to a “guided reading focus” for the next year. While she feels that this focus is in-line with current research, she is frustrated by the lack of funds available for implementation training:

The guided reading, having 90 minutes of reading, this is something new for my staff next year. We’re all going to have to go through the pains of, “What is that going to look like? What am I going to do as a teacher? How am I going to change my instructional strategies to understand this thing that’s supposed to [be] helping kids?” Again, we get back to the fact that I’m not the poorest school so . . . I can’t get the rest of my teachers trained because they’re wanting to put the resources into the [low-income] schools.

In this same district, building principals reported using both literacy and math coaches. The degree to which they do so is apparently based not on need, but on a school’s ability to independently acquire the funding to pay for these activities. A portion of the funding for coaches is raised and distributed by a district foundation. In addition, some building principals obtain grants to buy coaches. However, other principals may not have or are unwilling to invest either the time or the resources necessary to procure these funds. Consequently, the use of coaches is somewhat random, depending on the fundraising abilities and the decisions of administrators and others.

Several respondents from this district also said they sometimes had to sacrifice other needs in order to ensure they were providing enough professional development to their teachers. One principal reported “dipping into” his budget to pay for professional development when their Gates Foundation money ran out. The union representative claimed that building principals sometimes cut positions to free up money for professional development. The result, she pointed out, is increased class size.

District Four, our matched, high-performing district, is the only one in which nearly all administrators, most notably building principals, complained about the lack of professional development funds available to them. This pattern appears to be partially related to the centralization of professional development, with the district controlling professional development funds. As one building principal observed, “people are willing to change, but there’s no money to fund it.” She also reported sometimes “begging” the district for money to pay for trainings. The academic officer also complained that she lacked sufficient funds to cover the costs of embedded professional development:

I’m trying to do some of that, but you only get so much in the way of funds. People are expensive, so I don’t get to embed it within each building as much as I would like. If we were able to do that, I think we’d get over this hump. But that’s going to cost a great deal of money.

Our wealthy, high-performing district reported having ample funds to pay for professional development; however, some of this funding appears to be provided by the district foundation, while the rest of it comes from I-728 class size reduction funds. One principal claimed to have a budget of between \$16,000 and \$17,000 per year to pay for professional development. In fact, the head of the foundation described a recent “shift in focus” from using funds for supplies to

using funds for professional development, including three days of summer literacy training. Unlike the other four districts, District Three also reported allocating site-based funds directly to teachers. Each teacher receives \$200 in discretionary funds annually to spend on their own professional development.

Administrators report that some teachers resist professional development reforms.

Administrators reportedly struggle not only with the availability of time and money to conduct professional development, but also with teachers' resistance to new, embedded professional development or collaborative models. As the academic coordinator from District Four explained, teachers are accustomed to going to a conference or workshop and coming away with something new that they can use in the classroom, if they choose. In other words, they "want it handed to them." With the embedded model they must do additional work between trainings, and principals "have to really become a hard-nosed instructional leader." When District Five first implemented a coaching program, several building principals reported initial reticence on the part of teachers toward using coaches. One even reported some teachers leaving as a result; however, another found that teachers are increasingly seeing the value in coaching.

Respondents also described other forms of teacher resistance that make it difficult to implement effective professional development. One principal complained that because her school is highly regarded in the district, teachers don't believe they need to continue improving. A building principal said that her teachers complained that professional development is focused on learning too many things and they would rather focus on a few subjects in depth. Similarly, a union representative pointed out that teachers may go through extensive professional development at one grade level and then be moved to another the following year only to require new professional development for the new grade level. Finally, the same union representative observed that some veteran teachers feel that financial resources would be better spent on reducing class size, stating, "I've been professionally developed enough."

Efforts to Use Financial Incentives and Difficulties Encountered

Human competency theory lies at the center of our study, and a critical piece of that theory deals with individual motivation. People are animated by personal goals, and they evaluate their environment for pressure and support that will help them achieve those goals. Incentives change the environment in which teachers and administrators operate, and thus influence the direction, persistence, and intensity of their actions. By altering the environment to include external rewards and other inducements that work within the culture of teaching and school leadership, financial incentives can play an important role in shaping educators' behavior.¹⁶

In some school districts, efforts are under way to implement incentive programs designed to draw specific candidates to their schools and districts and to encourage them to stay in their positions. Interviewees also described as incentives financial reimbursement for teacher engagement in desirable behaviors, such as working extra hours or taking on additional responsibilities. However, none of our study districts has implemented any type of pay-for-performance incentive program. The initiation and implementation of financial incentive programs, including pay-for-performance, is hampered by several constraints, including a lack of

¹⁶ While both intrinsic and extrinsic factors influence individual behavior, this study, with its emphasis on the education finance system, is focused on extrinsic factors—primarily those with financial implications. In addition, when asked about the use of incentives for teachers and administrators, respondents automatically started talking about financial incentives.

resources, union resistance, and administrator skepticism about the appropriateness of utilizing incentives to motivate teachers.

Some districts offer financial incentives to recruit and retain teachers. One way in which financial incentives are perceived to be of utility to districts is in both attracting particular candidates to positions and encouraging individuals to remain in positions, especially in more challenging placements. In our rural district, for example, administrators feel that their excellent health benefits have served as an incentive to attract the best candidates. The trade-off is that the money spent on benefits must come out of basic education funds. As the superintendent explained, this expenditure is worthwhile because, “You could have loads of programs, but it’s the teachers that make the difference, and you [have to] have good ones.” To encourage teachers to remain in the district, the wealthy, high-performing district provides longevity pay, believing that teachers who stay in the district longer are more invested and provide stability for students.

Our innovative district has attempted to address its own stability problems by developing a program that will provide incentives for teachers to stay in more difficult schools and increase overall teacher salaries to retain experienced teachers. Under this program, high-performing teachers receive “hardship pay” for working in a challenging school for five years. While the teachers’ union has backed the policy, funds for the stipends must be raised locally. As of this writing, the local foundation sponsoring the program intends to offer stipends of approximately \$3,000 to recipients in two schools that suffer from high turnover.

In addition to the above financial incentives for teaching in certain schools, this district recently implemented significant salary increases in an effort to retain experienced teachers. The district has committed to increase teacher salaries to be competitive with the surrounding districts such that after five years teacher pay will rank fifth out of the 12 nearby districts. However, this commitment was made without any clear sources of funding, as the school board president explained:

The board knew that was going to cost us money. We also knew we didn’t know where the money was coming from when we voted on it. We clarified it orally that night, and we voted for it seven-zero anyway. And mainly not so much because we love our teachers, but just simply because what was happening was we were feeling like [District Two] had become a training ground for people who would get their teaching credential, and then come here for a couple of years, and then they’d leave for greener pastures. And our most challenged schools with our most transient student populations were becoming a revolving door for teachers, and there was no stability. You can’t create a learning environment when the kids are in and out all the time and so are the teachers.

Some districts provide teachers with supplemental pay for extra time worked and extra responsibilities undertaken. When asked about incentives for teachers, respondents in some districts mentioned providing stipends and other forms of supplemental pay. The most frequently discussed such stipend is time, responsibilities, and incentives (TRI) funding, intended to provide payment for teachers who complete additional (and previously unpaid) tasks during the execution of their duties. However, TRI and “optional hours” (a similar program) are generally not well received by some administrators who feel that TRI has actually reduces some teachers’ participation in extra-curricular activities. Administrators identified two mechanisms responsible for this change. First, administrators told us that activities completed away from school can count

towards TRI funding, allowing teachers to more readily “use it up” in a way that principals cannot account for.¹⁷ Second, according to some administrators, because teachers can accrue TRI hours by performing a number of activities, some teachers may be less likely to participate in certain professional development activities. Therefore, in some instances, respondents imply that TRI does not necessarily incentivize teachers’ actions, instead it simply provides them additional compensation for activities that they may have done anyway.

In addition to TRI, teachers are sometimes able to earn stipends for extracurricular activities, such as assisting with a curriculum adoption cycle and mentoring new teachers. Our high-performing district also offers teachers stipends for serving as student advisors and assisting with assessment development. As with TRI, such stipends simply provide teachers with more pay for more work.

Districts face significant barriers to implementing financial incentive plans. Efforts to implement financial incentive programs in our study districts have faced a number of barriers. As discussed above, according to our interviews, the innovative district implemented an incentive program but because of state salary policies and practices the district was unable to fund it until monies were privately raised. The continuation of this program, therefore, requires that these funds be continually replenished. Similarly, one respondent pointed out that state policies and practices prevent the district from offering recruitment incentives and make it difficult to bring good teachers into the state. Other states, he observed, offer both signing bonuses and higher salaries. In contrast, he noted, “The only thing we can really sell is the great northwest. And to people who have never been here, it’s hard to sell.” Even within the state, interviewees indicated that the lack of recruitment ability makes it more difficult for the district to fight for teachers within critical subject areas (math, science, special education) and with important characteristics, such as a certain ethnic background.

While the teachers union in the district that had instituted the incentive program supported this program, respondents in other districts explained that efforts to implement financial incentives were often opposed by local unions.

Efforts to implement financial incentive programs also face barriers in the form of administrator resistance. While they generally do not blatantly oppose programs which seek to draw highly qualified teachers to underperforming schools or districts, three respondents in District Two expressed concerns about “pay for performance” in which teachers would be individually rewarded when their students perform well. For one building principal, the concern was that financial incentives based on student performance would foster competition among teachers and do damage to the collaborative environment that she had been trying to create. In the same district, another building principal suggested that financial incentives for teachers are simply not necessary, as, “Nobody goes into education looking to get rich.” The union representative from this district, however, suggested that financial incentives for individual teachers should be a lower priority as long as the district is failing to provide a competitive salary. Only if there is excess, she argued, should funds be directed toward financial incentives.

¹⁷ The provisions of TRI programs, including how hours are used and accounted for and how many hours are paid appear to vary by district. For a more detailed discussion of TRI, see the section on union constraints beginning on pg. 56.

Both a building principal and a superintendent noted a preference for school-wide bonuses based on overall school performance to individual financial incentives. This model, they believe, will focus efforts on overall student performance and foster team effort. However, a second principal from one of the districts found that when his school received a \$25,000 award for the staff, determining how to spend it has been a “nightmare” because everyone has different ideas about how it should be spent.

This section has described efforts to improve student performance by improving the quality of teaching. Acknowledging that principal leadership also plays a role in creating effective learning environments, in the next section we turn to efforts designed to improve student performance by improving the capacity and motivation of principals.

The Capacity and Motivation of Administrators

While the majority of development funds are aimed at increasing the capacity and motivation of teachers, some administrators also discussed the importance of improving the leadership skills and motivation of building principals and other administrators.

Professional development for principals includes both management and leadership training, with a special emphasis on developing instructional leadership. Four times each year, the administrative counsel in District Five holds professional development sessions that cover recent developments in management processes and techniques. District administrators then determine if they wish to adopt these new strategies. Other districts reported sending their principals to Project Leadership workshops sponsored by the Washington Association of School Administrators, which are held twice a year. District Four also reported helping principals understand how to use student performance data to improve instruction so that principals may in turn guide teachers. In the same district, the academic officer observed that the main goal in improving leadership capacity is to make sure principals are aware of their building scores.

Districts have also tried to improve the quality and tenure of building principals and other administrators. In District One in particular, which is a small, rural district, efforts have been made to attract and retain good principals. The superintendent described attempts to hire principals as early as possible and pay them more than other districts in the area to ensure that the best candidates are hired. At the same time, the human resources director reported a problem with administrators working in the district for a few years to “pad their resume” before moving on to a larger district. The district has now focused its efforts on “hiring locally” to ensure that administrators will stay. In District Three, to combat high turnover in its administrative and principal staff, the district has increased the salary for high school principal positions in the hopes that principals will stay in the position longer.

The above sections described efforts to improve student performance by improving the capacity and motivation of those most directly involved in the learning process—students, teachers, and principals. In the next section we turn to the less direct efforts to improve student performance associated with improving the “capacity of the system” (i.e., the alignment of the system).

The “Capacity of the System” (Alignment)

Creating effective learning environments for students requires attending to not only the capacity and motivation of individual actors in the education system, but also attending to the overall functioning of the system. Effective system functioning requires:

- collection and analysis of information to support thoughtful decisionmaking regarding resources;
- resource allocations consistent with stated student performance goals and objectives; and
- governance that supports local actors’ efforts to reach the stated goals and objectives.

In short, effective system operation requires alignment.

Districts in our study are attempting to improve the alignment between resource use and student performance goals, although some have made more progress than others. Systemic strategies aim at improving student performance by changing the way districts and schools “do business.” One significant result of the new emphasis on student performance is that districts and schools are both setting student performance goals and examining their allocation of resources to determine if they are in line with those goals. When asked to describe the operational changes they are making, respondents often used the words “aligning” and “focusing” to describe their actions. In our interviews, educators also expressed a new view of equity, one in which equity involves allocating resources on the basis of student need rather than equal distribution.

Specifically, all five study districts appear to be aligning curriculum with state standards and focusing resources on student needs. Alignment efforts also include incorporating strategic planning and the use of data, best practices, and evaluations in resource decisionmaking processes. These strategies are necessary, if not sufficient, to achieve effective use of resources.

Unfortunately, our interviews indicate that in many cases educational actors lack a sophisticated understanding of what using resources effectively means and also lack a common approach to identifying and implementing effective resource use. In addition, efforts to improve resource use effectiveness are reportedly hampered by the general view that the resources used for salaries are immutable. Consequently, the alignment of resource use with student performance goals remains incomplete. Ineffective or inefficient resource use that results from such nonalignment, robs students of opportunity for greater achievement.

The following sections discuss in greater detail these system-level efforts to better utilize resources to improve student performance, as well as difficulties encountered in doing so.

System Capacity Changes and Aligning Resource Use with Goals

Respondents in all five study districts described making changes to resource use to improve system capacity by aligning expenditures with district and school goals. Districts are aligning curriculum with state standards and focusing resources on student needs.

Districts/schools are aligning curriculum more with standards. All of our study districts have recognized that they must teach children the skills they need to perform well on assessments, and all are in the process of trying to better align their curricula and daily lessons

with the state-mandated Grade Level Expectations (GLEs).¹⁸ This “curriculum mapping” is also identified as an effective means for helping teachers understand expectations and shift their teaching appropriately, though several districts have appointed new subject-specific curriculum directors to conduct the mapping. Curriculum mapping has made more significant inroads in some of our districts than others. One academic officer, for instance, mentioned that the alignment in his district is only “topical” since many principals don’t yet grasp the importance of deep alignment.

Districts/schools report focusing resources on student needs. Based on our interviews, all five of our study districts appear to be moving away from resource allocation practices based on giving all schools the same things and toward a view of equitable allocation based on the idea that different schools and students have different needs. However, the extent to which districts and schools are reallocating resources varies among the study districts.

The most obvious example of this new view of equity exists in our innovative district, which allocates money—instead of positions—to schools based on a weighted student formula, thereby providing more funds to schools with more needy or at-risk students. While the weighted student formula partially compensates for the different socioeconomic statuses among city neighborhoods by directing extra resources to needy schools and students, several interviewees indicated that the amount provided by the formula is still not sufficient to meet the needs of disadvantaged children and bring them all to standard. One respondent indicated that the district is going to review its weighted student formula with this concern in mind.¹⁹ While the extent of the allocations and the allocation methods are not clear, the other four districts also indicated that they target additional funds to needy students.²⁰

With this new view of equity, study districts must resolve the difficulty of providing supports to bring struggling students to standards while also meeting the expectations of local communities to maintain or increase existing programs. This issue was alluded to in several of the districts and was overtly discussed in District Three:

I think there’s an expectation in the community that we’re going to continue providing that level of support to the broader population. So how do you start retargeting groups . . . without dropping some other stuff off? And if you’re dropping it off at the expense of one person, who, therefore, ends up with a lesser learning experience, but benefit another one, have you really promoted a better learning experience for everyone? You just shifted it. I don’t know that that’s in the real interest of those that want to promote learning experiences for everybody.

¹⁸ For a discussion of GLEs, see the education reform section of appendix B, beginning on pg. 131.

¹⁹ District staff also noted that getting students to standard is about more than targeting money; they mention the importance of race, mindset, and relationships in understanding performance differences.

²⁰ Based on our interviews, it appears that the other four districts allocate the bulk of district resources in the form of (1) staff to buildings based on student counts and (2) non-employee related costs (NERCs) based on teacher FTEs. Therefore, the bulk of the resources used to provide these interventions appear to be primarily categorical, grant, or philanthropic funds that likely represent a small portion of actual educational spending. For instance, an official in one district noted that, while test results and site improvement plans influence curriculum at schools, he does not necessarily give schools with greater needs any more money. Another district official indicated:

We have formulas, but we don’t have formulas . . . You get so many FTEs for your building based on how many students you have. But there’s latitude . . . for example, the side-by-side classes, but it comes in the guise of who thinks about it and who goes and asks for it.

Decisionmaking/Governance Reforms and Aligning Resource Use with Goals

In all five study districts, we heard about efforts to orient the governance and management of schools toward coherent, strategic decisionmaking aimed at accomplishing accountability mandates. One key manifestation of this strategy is a greater emphasis on the use of data in decisionmaking and resource allocation processes. Study districts have also embraced procedural reforms by implementing improvements such as:

- planning, prioritization, and alignment;
- using data and best practices to inform decisionmaking;
- rethinking the roles of central administration and school sites; and
- instituting governance models.

As with other reforms, the extent and pace of these changes vary by district.

Districts/schools are trying to have decisionmaking driven by district and school strategic plans. In our interviews, respondents discussed using state-supported planning and prioritizing tools as well as other tools associated with strategic planning to establish goals and better align resource allocation and use with these goals.²¹

In our rural district interviewees noted that they have developed both school improvement plans and district improvement plans. According to interviewees, the plans are developed collaboratively, with the aim of aligning district and school goals and facilitating coordination of curriculum and programs across the district.

In our wealthy district, interviewees frequently noted that the district is in the process of developing its first five-year curriculum plan. Based on interviewee comments, it appears that this plan relates to curriculum adoption and review and associated professional development instead of addressing other broad priorities and long-term allocation of resources. Nevertheless, the district superintendent indicated that the five-year plan would be used in the future to guide decisionmaking, and comments by the superintendent indicated that she hopes to move to a system that evaluates potential resource uses and prioritizes needs. At the building level, principals in the District Three schools we visited have been preparing site improvement plans as required by the state for about four years.²² The plan goals and action items are based on test scores.

Our matched, high-performing district is in a similar position to District Three, our wealthy study district, developing its first strategic plan. Schools in both districts also have school improvement plans in place. One respondent indicated that they do not want to interfere with the

²¹ As noted in appendix B, the Washington Administrative Code requires that each school district receiving state basic education funds develop a school improvement plan or process based on a self-review of the school's program (Bergeson 2005). In addition, federal law requires that districts not meeting Adequate Yearly Progress in one or more areas over a two-year period develop a district improvement plan. The Washington State Office of Superintendent of Public Instruction has developed a guide to assist districts in system improvement entitled *Putting It All Together: Washington State School System Resource Guide* (Bergeson, Heuschel, and MacGregor 2005).

²² Schools in this district have two decisionmaking bodies: the site council is responsible for strategic planning and the principal's cabinet is responsible for the "nuts and bolts" operation of the school. Both entities provide input into the site improvement plan. During the year of the interviews, the three elementary schools in this district developed one site improvement plan. This effort reflects other collaborative work that the elementary schools participate in including meeting to discuss and solve problems.

work that the schools have done, rather they want to align the district and school plans, know and share what is working across the district, and be more intentional in their resource allocation, keeping programs that are research based or working and letting other things go. At the school level, site plans are developed through collaborative processes, identifying goals, developing action plans, allocating resources according to the plan, and measuring progress toward goals.

Our matched, low-performing district is very proud of its district strategic plan and school action plans. This district has apparently been performing such planning for many years, with one interviewee suggesting that the State of Washington developed their school improvement plan template from an early version of this district's planning documents. At the district and school levels, these plans are developed in a collaborative process. Several people mentioned using research and data in the decisionmaking process and for everything they do, always asking the question of how an action would improve student achievement/test performance.

District Two, a large urban district recently plagued by leadership and financial problems, was struggling to implement long-term planning at the time of our interviews. The district is in the process of developing a five-year strategic plan, which several staff members indicated will drive the budget and focus the district on getting all children to standard. However, interviewees also noted that work remains on developing a well-articulated plan that truly serves that function. Schools in District Two develop school improvement plans through their site councils. According to building principals, the school improvement plans identify areas of focus based on student achievement data and then identify action items to address weaknesses.

While the process of district planning and prioritizing should improve resource allocation, it is not clear how effective school improvement planning can be in the four districts that allocate the bulk of the resources to schools in the form of FTE per pupil.²³ In all cases, school improvement planning is subject to federal and state requirements and contractual obligations, but in these schools the planning is also restricted by formula FTE allocations. Based on the interviews, District Three has the resources to grant schools additional funds upon request, thereby potentially facilitating site improvement planning strategies, but this does not appear to be the case in the other districts. Regardless, it appears that strategies contained in these site improvement plans either do not require significant changes in FTE allocations and/or are being funded through marginal discretionary and/or categorical, grant, or philanthropic funds.

Districts/schools are attempting to base resource decisionmaking and allocation on data and best practices. One change that subjects in all districts reported is a shift towards decisionmaking predicated on student performance and research data. Educators are using data to determine which students are at-risk, sort them into appropriate reading and math groups, target instruction appropriately, and determine the factors driving dropout rates. Districts and schools are using assessment data to identify which subject areas require the most attention and resources (i.e., low math scores result in a focus on math instruction). Finally, educators use assessment data to identify topics that students have not mastered and areas where curriculum materials are not aligned with state tests and then to address such deficiencies through targeted professional development and modified instruction. Interviewees also discussed researching programs and best practices prior to adoption and implementation.

²³ See appendix B, beginning on pg. 125, for a discussion of local allocation of dollars.

However, some districts have made more progress than others. Several people mentioned using data in the decisionmaking process and for everything they do, continually asking the question of how an action would improve student achievement/test performance. As one building principal noted: “God can give testimony. Everybody else bring data.” Two districts (Districts Three and Five) are conducting assessments beyond the WASL to obtain more frequent and consistent snapshots of their students’ performance. One district purchased an assessment package; another designed its own using released WASL questions and test item banks. While the academic officer in this second district said that creating such a program was labor intensive, he also stated that teachers found the process of designing tests and interpreting results informative, and that it provided them with the subarea feedback needed to improve instruction. District Three has hired an assessment officer who, in addition to developing the assessments noted above, oversees the use of a data management system used by the district, trains teachers in use of the data management system and the OSPI website data, and administers surveys to students, teachers, and parents. Many schools test incoming students for readiness, and they stated that this was very helpful for determining how to match resources with needs.

Districts/schools are working to determine the most effective mix of centralized/decentralized decisionmaking. One of the study districts has had a decentralized system since the mid 1990s, allowing schools complete control over their budgets, within regulatory and contractual requirements, as well as control over curriculum, hiring, and professional development decisions. In this district, school site councils oversee budget development, but budget approval, as well as approval of other things like curriculum adoption and professional development, require the approval of the entire staff. The district has attempted to adhere to a “tight-loose” structure, wherein the district allows school site councils to make their own decisions and then expects performance in return, theoretically holding principals accountable. Based on our interviews, it is clear that this district is rethinking several aspects of its decentralized system of site-based management and budgeting.

The decentralized district’s decisionmaking process appears to vary slightly from school to school, but principals generally complained about how difficult it is to make hard decisions, such as cutting staff, in a site-based system:²⁴

You can’t have consensus in a crisis. And we’re not in a crisis on a moment-by-moment decisionmaking thing here, but we’re in a crisis of funding, and somebody needs to take the reins . . . it was a lot easier to figure out how to use resources when you’re getting more of them than when we’re getting less. Cutting has been really hard. It’s been hard on the staff. It’s been hard on the morale. It’s been hard on the team building work that we’ve done. It’s been really hard . . . [There is] the push between what’s best for the kids, and whose jobs are we going to save. And as an administrator I push “What’s best for the kids, what’s best for the kids, what’s best for the kids?” It doesn’t always get looked at that way by all the staff, and all the staff have a say in how this all comes down.

²⁴ In general, the district provides the schools with an allocation amount and staffing guidelines. Then the principal, either by themselves or in conjunction with the building administrative team, develop a draft budget. This draft budget is presented to the building leadership team for review and possible revision and then is presented to the staff as a whole. The final budget must be approved by the building leadership team and the staff, with each staff member having one vote (including the principal).

A principal stated that during the decisionmaking process, she could see camps forming. Others noted that teachers do not “get the big picture” and instead vote in their own interests and that it is hard to keep teachers knowledgeable on budget processes and requirements, especially when staff turnover occurs. In addition, principals observed that when the voting on an issue was close having only one vote was a liability, and that such a process can inhibit the adoption of new curriculum. Finally, while principals stated that developing a budget does not take much time, they did complain about the time required to obtain buy-in from the staff. One principal indicated that it takes 20 to 25 meetings to get the budget finalized.

After being approved by the building, the budget is passed back through the district. The district checks to make sure that the FTE allocations at the building level comply with federal and state regulations and contractual obligations. District and school personnel expressed concerns about the time associated with site-based budgeting and whether, with all the federal and state regulations and contractual requirements, the district is really able to give principals any flexibility or if the process is just wasting their time:

But, anyway, when the dust settles, the buildings are spending a lot of time and energy on something they're not very skilled at, not very trained at, and they make mistakes.

By the time we get done with state and federal mandates and contractual obligations and grant strings, they have virtually no discretion. And so to give them the illusion that they do is just heartbreaking because they will sit there with their site council and try to come up with a staffing formula and then kick it back to central administration and be told, “Well, you can't do it that way.”

According to one principal, by the time they complied with special education and ESL requirements, satisfied I-728 spending requirements, and allocated resources in accordance with the focus in their site improvement plan, only about \$50,000 remained in discretionary funding.

One central administration official observed that while he liked the idea of tight/loose management, under such a system the effectiveness of programs developed at the school level depends too much on the ability level of the principal and leadership team. Under the current system, there are no consequences for failure, so the system does not serve all children well. This official proposed giving flexible funds to principals only if their schools perform well.

Finally, both district and school staff expressed concerns about the lack of coherence in the district. Two principals indicated a desire to have help from the district on curriculum and assessment. Principals and district staff voiced the need for more coherence across the system to facilitate learning for children who move frequently within the district. However, the district finance officer indicated that they cannot implement district-wide literacy or math curriculum or other programs because the decision has to be made at each site, in the same way that the budget has to be approved by the whole staff. He went on to lament that even cost-saving, district-wide changes cannot be implemented without school-by-school approval. He appears to echo many others' sentiments regarding a need to standardize instruction:

In order for us to meet our academic requirements as an agency of the state, we must become more prescriptive with how we choose to spend our resources in the kinds of things we do in the classroom.

In addition, several respondents indicated that the district needs to recentralize some of its professional development decisionmaking in the name of efficiency. Several administrators mentioned that they felt the current system was disconnected because every school was doing something different. As one union official observed, recentralization of professional development offerings would “get what is essential to education on the front burner.”

One district is following a policy governance model to foster improvement. One study district, District Three, has embraced the Carver Model of policy governance. This wealthy, high-performing district was slow to respond to the standards and accountability movement and is now quickly trying to catch up.

Under the Carver Model, the school board articulates:

- results policies (desired achievement and outcomes for student or the “ends” in model terms);
- executive limitations (the boundaries within which the board delegates responsibility for day-to-day operations to administrators); and
- governance processes (specifics on how the board conducts business).

Agenda items for board meetings are tied explicitly to one or more of these policies, limitations, or processes. The strategies (“means” in model terms) by which the goals will be met are left to the administration. According to two different interviewees, the district adopted this model because of significant turnover²⁵ and because the board had micromanaged district operations in the past. One district administrator noted that they are still struggling with how they get a voice into the process, especially with regard to the development of results policies and the five-year plan.

None of the other respondents mentioned governance or improvement models (e.g., Carver, Baldrige, Continuous Improvement, Balanced Scorecard), except in District Five. The board president in this district indicated that he would like to implement the Balanced Scorecard, but that doing so would require outside assistance, for which they did not have the resources.

Difficulties in Aligning Resource Use with Goals and Using Resources Effectively

One of the many concepts we discussed with district- and school-level officials was effective resource use. We wanted to understand what the concept meant to them, whether they were thinking about how to deploy resources more effectively, and what measurements and guides they use to assess the effectiveness of resource allocation. In the process, we also heard about factors that constrain or enable resource assessments and effective redeployments. While our interviews may indicate that officials in all districts are sharply focused on the new performance expectations, committed to creating new cultures of achievement and aligning resource use with goals through thoughtful decisionmaking, they also suggest that in many cases these actors lack the skills, tools, or discretion to create significant change.

Most administrators perceive that resource use is generally effective, with some room for improvement. When asked if resources are being used effectively, our respondents gave a

²⁵ The district has seen and will continue to see a great deal of change in leadership with a new superintendent and several new board members having taken office four years before our interviews and with the impending retirement of several other key district administrative staff.

full spectrum of responses. A few claimed they are using resources as effectively as possible. A majority (greater than 50 percent) felt they are using resources quite effectively, but are aware that “room for improvement” inevitably exists. Several didn’t really answer the question, telling us they “hoped” they are using resources effectively or changing the topic (often inadvertently). A handful stated that schools and districts are not using resources effectively at all. Answers to the question were not generally correlated with districts, though respondents in one of our urban districts seemed somewhat more likely to feel that resources may not be being used as effectively as possible. A human resource and academic officer, in particular, felt that staff time is not being used very effectively and should be focused on different groups of students.

Overall, the question was somewhat polarizing, with thoughtful respondents diving deeper into the issues and related assumptions while others seemed to be at a loss for an answer. In the first group, a finance officer said that the school system needs to bring more clarity to the definition of an “effectively educated student” before evaluations of resource use could properly be made. He added that this definition is critical for special needs and non-English speaking students who require special—and often costly—types of instruction to reach existing standards. Another official was clearly very aware of the disparity of opinions regarding effective use in his district, noting that the number one question people had is whether Teachers on Special Assignment (TOSAs, an expensive resource) are effective or not. Falling into the second group, some respondents dismissed the question, stating that so few resources could be used in more than one way as to render the question moot, and a few others fell silent or failed to comprehend the question, asking us to repeat it or explain it. These respondents were also quick to digress in their answers.

Some administrators appear to misunderstand the concept of effective resource use. A particularly interesting finding in this part of our research is that many respondents appear to have misunderstood the concept of “effective resource use.” That is, they confused the adjective “effective” with others that describe related but different qualities of resource use, such as “accurate” or “equitable.”

This is evidenced by the fact that responses centered not on the student performance gains garnered from invested resources, but on the concepts of accuracy, equitability, and legality:

- A finance officer said that his use of resources is “accurate” and in line with all federal, state, and district requirements and that he knew his budget down to the smallest line items. When probed, he agreed that he could not speak to the effectiveness of resource use—only to its accuracy.
- A high school principal responded by discussing his promotion of more “equitable” distributions of teacher time among students. He explained to us that he found the 12:1 student/teacher ratio in his math classes unacceptable when other classes were so much larger.
- A finance officer and building principal answered our question by reassuring us that their districts’ use of resources is “honorable” and “legal”, saying that they did not see any “waste or abuse” in the use of resources. One noted that “internal control provides the best management of resources” and doesn’t allow for “fraud, waste, and abuse of the public’s assets.”

- An academic officer focused on his “thoughtful” use of resources by drawing attention to the number of people enfranchised in the process and the range of options considered: he stated that he was very open to the ideas and opinions of others and always bounced ideas off his colleagues.

Administrators differ in opinions on how to identify effective resource use. Educators’ answers to our question regarding *how* they knew whether they are using resources effectively also varied dramatically. Very few respondents seemed to conceptualize effective resource use as the optimization of all possible educational expenditures to maximize student performance for a given cost. In fact, respondents at the building level inferred the question about resource use effectiveness as one pertaining to the use of discretionary funds, which constitute only a single-digit percentage of most school budgets. Indeed, one respondent’s answer centered on minimizing costs associated with printing, paper towels, and field trips. None of the respondents who claimed that resources are being used as effectively as possible elaborated on how they knew this. In general, less than half of the respondents mentioned any sort of concrete method—objective *or* intuitive—by which they assess effectiveness at all, suggesting that the links between expenditures and performance are quite weak.

Of the administrators who described a concrete method for identifying effective resource use, it appears that their conception of how to measure effective resource use is more general than specific. A few officials asserted that a rise in student achievement was an indicator of effective resource use. This link is a general one because officials are usually not tying specific investments to performance gains. Rather, they view increasing scores as indicative of their doing something right. The lack of specificity in districts’ current analysis of resource use has two implications. First, it means that districts or schools that are looking at student performance data in such a way and that do not see performance improvements know they are doing something wrong, but not what they should do differently. Declining scores might serve as a “red flag,” but they do not offer any guidance as to how resource use should change. Second, even districts looking at such data and seeing improvements are uncertain of the underlying mechanisms creating change. Consequently, they may be missing opportunities to maximize performance for a given level of resources, remaining content with an upward trend of test scores.

While a few respondents use performance data to identify effective resource use, others indicated that they use even more general means such as intuitive judgments or other methods to assess effectiveness. As part of the group relying on intuitive judgments, a few district level officials revealed some skepticism about the connection of inputs to outputs in the school system. One board member stated that “human input” is a “heck of measuring tool versus data, which can so easily be read wrong,” expressing his view that teacher time and student attendance may serve as better yardsticks than performance data. “If it’s working,” he noted, “we’ll know it. If it’s not working, we’ll know that too.” A finance officer said that while his district has a strong desire to “track dollars to student achievement,” it is difficult to do in practice. One respondent made the point that spending in one year so much resembles spending in another that effectiveness judgments essentially come down to assessments of whether the “district is moving in a good direction.”

Officials also clearly value outcomes other than student achievement as indications of effective resource use. At the building level in particular, respondents often pointed to alternative effectiveness measures: the “support of staff and parents” served as a “ringing endorsement” for

one principal and a personal, subjective assessment of what tutors are accomplishing was sufficient for another. Recognizing that quality instruction is foundational to student learning, both principals and district officials discussed how resources had been used to increase the effectiveness of teachers.²⁶ An academic officer noted that strategies that reduce teacher “burn-out” and win the acceptance of parents deliver value even though it may be “hard to quantify” and can’t be “correlate[d] directly with increase[d] learning.” A board member noted that using funds to buy more teacher time for curriculum development helped garner teacher “buy-in,” which in turn promoted collaboration and successful implementation. A principal focused on how a resource improved his own instructional capabilities, saying that his lead TOSA was invaluable in helping him keep on top of the curriculum and instructional pacing.

Many administrators appear to lack the means to identify effective resource use. A finding that is quite clear and consistent is that districts in Washington lack the means to determine whether their use of resources is effective, as detailed by an urban district’s financial officer’s comments:

We could infuse a couple a hundred million bucks into our system . . . We could spend every dime of it, and I don’t think there’s any ability for us under our current operations or behaviors to quantify whether that would make a nickel’s bit of difference on student achievement. And I’ll give you a specific example. We have two elementary schools that have both been funded by a very wealthy investor, and they’re double the amount of resources per student than the other schools with similar kinds of student characteristics. And you can’t prove a negative, but what you can [do is] look at what’s there. And one of those schools has been getting those resources now for many years. So, in theory . . . you should be able to say, “Wow. Look—that extra million and a half dollars per year did these things.” If you look at their test scores and you compare them to another school with similar kids, there’s very little difference.

Several officials in this district agreed with this evaluation, mentioning the lack of experimentation and measurement and the reliance on anecdotal information about effectiveness. As a board representative noted:

But what really needs to happen hasn’t starting happening yet that I know of. There can be a proliferation of programs. People think they’re just [a] real great idea . . . And, yet, what’s the evaluation? What’s the evidence, besides anecdotes, that this is actually working, it’s actually having any impact.

Another official noted that the state had asked them to be accountable for the use of I-728 funds, but that they still have no ability to “invest in different parts of the business and compare results,” in spite of their effort to become more data-driven. The academic officer in another large district echoed these opinions, saying that his district doesn’t “have a good way to measure, right now,” and that the spending and strategies called for in the five-year and improvement plans were largely ad hoc. In a third and fourth district, a major question regarding resource use is whether the districts’ TOSAs are effective. A union official indicated that many experienced teachers would prefer resources to be directed to smaller class sizes, but the districts do not have

²⁶ Principals talked about how paying for more substitute teacher time allows regular teachers to observe skilled educators in the act of teaching or to meet together to build instructional capability.

any way to compare the effectiveness of these two strategies, especially since TOSAs are not dedicated to a single classroom.

Administrators view salary expenditures as largely immutable and therefore efforts to use resources more effectively have involved relatively small changes in resource allocations. A striking finding of our interviews is that the single largest line item of spending in school district budgets—salary costs, which constitute approximately 80 percent of most district budgets—is typically not viewed as an expenditure subject to significant change. Several factors contribute to this oversight, including the presence of continuing contracts, class size restrictions and expectations, and traditional notions of what classrooms, schools, and districts look like. To the extent that the *effectiveness* of individuals in the system improves, the buying power of these dollars may increase. But, in general, strategies that could increase the effective use of these funds by significantly altering *what is bought* (e.g., more use of technology and distance-learning instead of teacher-guided classrooms, more teacher time rather than smaller classes, higher teacher salaries for highly effective teachers in exchange for larger class sizes) with these funds do not appear to be on the table. Thus, while many of our study districts and schools have been charged with creating dramatic achievement gains, their spending patterns have changed in comparatively small ways. Moreover, because payroll consumes such a large percentage of the budget, the amount of discretionary dollars available to fund new strategies is seriously curtailed. Indeed, a principal reflected on the lack of funds he felt were available at the building level to drive “significant” change:

When I really stop and think about the discretionary funds I have, they're so limited. And not that I'm not open to looking at different ways of using what I have as a building administrator, but it just doesn't go very far when you're trying to make significant long-term change for kids. It takes a building-wide approach in my opinion to really make any kind of significant change. We could take a pot of \$2,000 and do something with 1st grade one year. But what is that going to do for those kids when they move to 2nd grade and then on to 3rd grade and on to 4th grade? So it's almost like if you're going to do anything of significance, you need to be able to do it building-wide and district-wide, statewide.

Many district/school budgets remain only loosely aligned with goals. Despite the reported development of strategic plans and use of data in resource decisionmaking, resource allocation does not yet appear to be closely tied to performance outcomes, as one finance officer illustrated when asked how his district aligns expenditures with goals:

The honest answer is we don't . . . Wednesday we will present to the board next year's budget. We'll introduce it. And we promised the board a year ago that we would have an aligned academic plan with next year's budget. And so starting the day after we made that promise a little more than a year ago, I'd go around and say this to people on site, "How are we doing? How are academic plans coming?" "Well, we're busy doing a bunch of stuff." "Okay. Well, next week, next week, next week." So we didn't really get serious about saying "Where's our aligned academic plan" until about December, which was too late because we start disseminating money to schools in January. Now, it isn't all bad. And we do spend money that turns out that it is a little bit aligned or somewhat aligned, but [we] still have the cart before the horse. We still have . . . a rollover budget that's

affected by politics and emotion. We do not have a budget that is driven by priorities and by true academic needs of our kids.

Several other interviewees also referred to rollover budgets and the turf battles that can ensue when changes are proposed:

But this year I decided that we need a new model because . . . what we were really doing was protecting the status quo because when you get those players in the room, everybody's vested interest is to protect what is in place.

Some of this lack of alignment results from factors mentioned above, such as a lack of understanding of effective resources use, lack of means to identify effective resource use, and perceptions of salary as immutable. In addition, administrators face other constraints to implementing reforms necessary to achieve efficient resource use. Most respondents view the utilization of assessment data as a useful tool for allocating resources, though several noted that the benefits of assessments must be weighed against the loss of instructional time that test administration requires. Others noted that their staffs are not necessarily as willing as they are to engage in such data use—one academic officer noted that teachers can feel “overwhelmed” by data or the frequency of testing—and a few principals said that they lacked either the time or analytic and computer skills to use data effectively. Some respondents also noted that teachers may question the validity of research and data used in the decisionmaking process. A union representative noted:

What you hear all the time is competent, experienced teachers saying—you show them some data, some research—and they say, “I don't care what the research says. I know intuitively this works or it doesn't work.” There is that tension all the time.

Finally, demands from other stakeholders and historical precedent also prevent the implementation of such reforms. For instance, some of our districts used I-728 money to satisfy parent, teacher, and union demands to reduce class size, even though they could not reduce sizes to the extent dictated by research evidence to produce significant student performance. Other respondents noted that changing or eliminating programs is often unpopular, and the political will to do so is often lacking:

Common sense to me would say that if we really were to prioritize our academic plan . . . And we say, “We want all of our kids to learn how to read. We want all of our kids to have certain math skills.” We should have data to tell us how much that costs. That's where we ought to be putting our resources. But with current resources, it's easy to predict that that would mean that there are things that we do now that would have to fall off the plate. And we'd have to have the political will to say, “We can't do that anymore.” And there undoubtedly would be things that are someone's favorite topic . . . There are things like music or athletics, the sacred cows of the American school culture.

Therefore, alignment strategies have, thus far, been bounded.

The previous sections discussed internal efforts to improve student performance as well as some constraints that impede implementation of educational reforms. The next section details external factors that influence student performance and reform efforts.

Environmental Factors Influencing Performance

The ability of district and school reform efforts to enhance student performance is influenced by various external or environmental factors. These environmental factors include the state accountability system and union collective bargaining and, of course, the system funding and its degree of adequacy and equity, as well as associated rules and “strings.” The influence of the state accountability system and union collective bargaining are discussed in detail below, while the system funding issues are discussed in the next section.

Respondents expressed a number of opinions regarding the influence of Washington’s accountability system. With its difficult test and high-stakes high school graduation requirement, Washington’s system was vilified for narrowing the curriculum, placing undue and significant stress on educators and students, and judging educators and students on a single measure of performance. Respondents claimed that attempting to get all students to standard with the given level of resources was a challenge for even the most accomplished teacher. However, interviewees also praised the system for supporting districts’ efforts to improve instruction and learning and to align resource use with student performance goals.

Our interviews also indicate that the conditions of the teachers union contract, as well as the relationship between the union and the district, impact teaching and learning in important ways. Administrators, while at times noting the role unions can play in protecting the rights of teachers and ensuring fair treatment, also lamented the ways that the contract restricts their ability to deploy teachers to schools, to use teacher time as they choose—either to modify the instructional day or provide professional development—and to evaluate and remove teachers. These contract conditions influence the quality of the teacher in the classroom and therefore bear a direct impact on teaching and learning. However, other contract constraints identified in our study, pertaining to salaries and benefits and extra pay for additional work or larger classes, also impact student learning by allocating resources to these over other potential uses.

High-Stakes Accountability and Assessments

Washington’s accountability system was both praised and criticized by study respondents. Administrators felt that the focus on the state’s student achievement test (the Washington Assessment of Student Learning or WASL) was too strong and had resulted in misplaced goals, excess stress for both teachers and students, and a questionable reallocation of resources. In particular, respondents expressed concern about the redirection of funds from non-tested subjects and vocational education towards tested subjects. They also questioned the use of the WASL as a high-stakes test that students must pass in order to gain a high-school diploma.²⁷

In spite of these criticisms, administrators also indicated that the accountability framework has highlighted aspects of the system where resource use is not strategically linked with student performance goals. Several respondents, for instance, pointed out that the current group of tenured teachers does not contain enough teachers who meet the “highly qualified” criteria, and thus may lack the skills needed to bring students to standard. The pressures have also surfaced the need for more assessments and performance data to inform educators about student progress and the need for differentiated instruction that adapts to student needs.

²⁷ For a discussion of the WASL graduation requirements, see the section on education reform in appendix B beginning on pg. 131.

Interviewees in our study expressed specific concerns about the development of the Washington State accountability system and especially about the use of the WASL as a high stakes test:

We want accountability, but . . . we also believe that there are many ways to show what you have achieved. And so to just tie everything to one test . . . The thing that drives me nuts about the WASL is that it's being misused. It was never intended to be a measure of an individual child with high stakes like their high school diploma dependent on it. It was supposed to be a systems correction. It was supposed to be about adults and whether we're doing a good job . . . the technical report says that, "No individual decision should be made about a child. No important decision should be made about an individual child as a basis of this test." And, yet, that's exactly what we're seeing when OSPI chooses to use the WASL to meet No Child Left Behind and for graduation rights, for their diploma.

And the WASL, it shouldn't be the only way to assess that performance. And in the days when we were still coming up with this [standards based reform] . . . the WASL . . . hadn't been invented yet. We were thinking about multiple assessments with portfolios and lots of different things that were more comprehensive and also cost a lot more money. But the goal was to help people understand incremental success because at that time we said, and I still believe this, that humans by nature if we have incremental success or small little failures, we can recover from that, and you can say, "Okay. I can do this. And, yeah, I made a mistake today" or "Yes, this didn't work." But there's enough positive progress, so I can see that I'm not just up against a wall, and I'm not just going to say, "Forget it. I can't get there from here." The downside of the WASL is it's a place and time test. Even though it's better that we have multiple testing opportunities, etcetera, it still is perceived by many people to be that wall. And so I'm not advocating at all we would get rid of it. I would advocate that we would use it as a wonderful tool, because it is, and add other ways to help people feel like, "This isn't the only thing that's going to measure my abilities."

Respondents noted that some students just do not do well on tests and that one test should not be used to "decide a whole kid's life," especially when a 400 score indicates success whereas a 399 indicates failure. Another interviewee wonders what will happen to kids who cannot pass the test and whether they will be excluded from opportunities like community college and the army.

Interviewees indicated that the difficult test combined with a system that rewards performance only against an absolute standard may be pushing such children out of the system:

The children who are in my self-contained program, they come in 3rd grade. They come non-reading. There's no way they're going to pass a state mandated test within a year or two or three if they haven't learned enough to be in a regular classroom up until 3rd or 4th grade. Sometimes they show up here in 3rd grade, sometimes in 4th grade, and sometimes in 5th grade. I have a great special ed teacher, but she's not a miracle worker. She works hard. She does the job. The kids leave here reading. If they're here for two years, they leave reading on a 2nd level. We do a year for a year. We get no credit for that . . . but the fact of the matter is that there's no reason we should be giving those children those tests.

They look at the test, and they cry. Tell me how that's helping them. Tell me how that's helping the district, the system, the state, the feds, anybody. It's not helping a soul. We can make them feel totally successful because they are finally learning reading and math . . . and the minute you put one of those tests in front of them, they know that every message that they've ever gotten their whole life must be true and we're lying to them.

Another respondent stated:

Our fear is that they will say, "I didn't pass it in the 4th grade, I didn't pass it in the 7th grade, so why don't I go to the fields."

Our interviewees indicated that the problem of using the WASL as a measure of student learning and as a high school graduation requirement is compounded by the following:

- The WASL is very difficult relative to other states' tests.
- Various student populations are requiring more support.
- Additional funds to help reach this bar have not been provided.

According to one respondent:

The state's going to get a big slap up the side of the head pretty soon, like in 2008. Everyone is going to be upset—parents, legislators—and they will attack the test. It's not the test; we set this high standard and did not fund it.

Another concern regarding accountability expressed by administrators across the study districts relates to the narrowing of curriculum and focus in public schools. Respondents noted that non-core classes like drama, art, music, physical education, health, home economics, shop, and social studies have been eliminated to allow more time for tested subjects. In addition, some schools are increasing class sizes in non-tested subjects like social studies so they can have smaller class sizes in tested subjects like math. One respondent claimed that vocational education is being "decimated." A building principal summarizes concerns surrounding the narrowing of curriculum/focus:

When you're not getting the test scores you want to get, you have to try to figure out . . . what does that mean? I mean how important is that? And it is important, but to me and to my staff, we really don't want to educate kids to be reading and math nerds. We want to educate kids to be human beings, which includes the arts, which includes physical education, which includes understanding history.

One respondent observed that teachers have moved beyond "if we wait long enough it will go away" feelings and are now experiencing a great deal of stress caused by the additional work of assessing students and getting them to standard. Even among the most talented teachers, frustration regarding the new challenges can reign: good teachers lose spirit when a majority of students aren't meeting standards or when they feel that there are simply not enough resources to achieve stated goals. According to one interviewee, teachers are concerned that they do not get to just sit and talk to kids because they feel they always need to be pushing them to achieve. Another claims that school is a less human and more adversarial place because of accountability. Interviewees also noted that the quantitative nature of the test does not measure the more qualitative influences that education can have on a student. According to some respondents, the

combination of instituting the WASL and the associated new curriculum adoption is perceived to be wearing teachers out.

Other concerns regarding accountability include the following:

- Administrators expressed concerns regarding the intersection of accountability systems and union contracts. One administrator wondered how you motivate teachers to reach for higher standards when they just want to retire in a few years. Another noted that the “highly qualified” rules of NCBL could cause conflicts with seniority stipulations in the contract. For instance, even if districts eliminate a non-core subject, tenure clauses require them to continue to employ the teachers of that subject. These teachers, however, may not be “highly qualified” to teach any other subject, and they may even resist training on how to effectively teach another subject.
- Respondents also claimed that the state has failed to provide them with periodic assessments of student performance during the year and an information system that provides districts and individual teachers with WASL information for program evaluation and planning.
- Respondents expressed the opinion that it is not fair to compare the absolute performance levels of districts with large numbers of poor and at-risk students to those of other districts with different demographics.
- Meeting “highly qualified” standards for teachers was also cited as a concern, especially for small and rural schools. Even in our high-performing district, one administrator expressed concern that highly qualified standards did not necessarily map onto the schools’ own conceptions of a desirable teacher. For example, one administrator observed that hiring elementary teachers who are excellent at teaching reading and writing is more important than expertise in content area for some subjects.

While respondents identified several problems and concerns regarding state and federal accountability systems, they also indicated that accountability has improved teaching and learning. They feel that more students are being provided the services they need to reach higher standards. They indicated that accountability pressures have encouraged collaboration; increased the use of research, standards, and data; focused professional development and hiring needs; and prioritized spending.

Union Collective Bargaining and Associated Human Resource Policies²⁸

In response to a question regarding whether the union contract constrains their actions, both district and building administrators described feeling that union contracts hamper their ability to deploy teachers, their most valuable resource, as they would like. In their discussions of collective bargaining restrictions, respondents claimed that teacher contracts influence resource allocation in myriad ways, ranging from the time spent negotiating contracts to constraints on teacher assignment and use of time. The specifics of how this impact is felt are discussed below.

²⁸ For a discussion of union power and collective bargaining in Washington, see appendix B, beginning on pg. 136.

In addition, respondents also perceive that the maintenance of good relationships with the local teachers unions is critical to their attempts to make headway in their goals of improving student learning. Indeed, our interviews contain examples of reform bargaining, where the union and district work collaboratively utilizing “win-win” or interest-based bargaining to define the contract terms and address topics not typically covered in traditional teacher contracts.²⁹ Finally, some administrators, while lamenting the constraints placed on them by the terms and conditions of the union contract, also noted the importance of union collective bargaining in ensuring fair and appropriate treatment of teachers.

Administrators believe that district relationships with the union are important.

Respondents were often quick to note that relationships between administration, at either the building or district level, and the teachers union are sometimes strained, and that both the process of signing a contract and determining its contents are major areas of tension in the educational system. Generally, these tensions appear to arise from the sense that the needs of the building or the district are often at odds with the needs of teachers.

The perceived quality of the relationship between the union and administrators is one area of difference between our five study districts, yet the perceived need to maintain these relationships was universally acknowledged to be important. Even in the districts with higher degrees of antagonism, administrators described making efforts to keep teachers happy. In our rural district, in which administrators described perhaps the highest degree of antipathy toward the teachers union, administrators felt that issues around the contract were one of the major problems plaguing the district. Yet they attempted to soothe these tensions by recognizing that their needs and those of their teachers were simply at odds. As the assistant superintendent explained:

Teachers work hard and they want as much as they can get, and I don't begrudge them that. It's just that we have a budget, and we've got to stay within the budget. That's just the way it works. Nothing personal.

One building principal in the district agreed that there had been tensions over the contract in the past but noted that they seemed to be lessening as “old guard union” teachers began to retire. He attributes the shift to the fact that newer teachers recognize the need to approach teaching with a “performance-based” (student-focused) mentality, rather than a “union” (teacher-focused) way of looking at the job. And even in this district with its strained union relations, administrators and union officials described working together to sign a three-year contract (versus the typical one-year contract), thereby reducing future time investments in yearly negotiations and establishing requirements for the next few years. In addition, one building principal contended that union negotiations across the nation were becoming more focused on working together to improve student performance:

The notion about teachers working together and with administrators to try and say, “Look, this is what the demand is, and we have to [get] together on the program for how to do that.” I think that's happening across the country, too.

The majority of district administrators felt that their relationship with the local teachers union was generally acceptable and in some cases improving. In District Two, for example, both district and building administrators felt that while the district had historically had poor relationships with the teachers union, the recent signing of a five-year contract was an important

²⁹ For a more thorough description of reform versus traditional bargaining, see Koppich 2007.

step in improving that relationship. A key part of the new contract is teachers' acknowledgment that the racial disproportionality in student achievement is a crucial issue that needs to be addressed. As the superintendent explained:

It was beautiful to see that they themselves, with the help of all their membership, they came up with this focus of, "We need to really look at ourselves; how can we be different to eliminate this disproportionality in performance?" And so they made this equity and race and disproportionality as one of the key issues. So once they're there collectively as a union, they're willing to look at themselves seriously. And so we are working together with them—it is not going to be a top down fight kind of thing—it's working together.

This "working together" resulted in several major reforms in the contract, including a relaxing of seniority transfer rights and an allowance for extra pay for teachers in needy schools, both efforts designed to address the achievement gap. These sentiments of district administrators were echoed by the district union representative who pointed out that they are moving toward becoming a more "professional union." While she still believes that advocating for "traditional rights" is an important function of the union, she also believes that the current contract will be more effective because it ties resources to "explicit goals." In fact, during a time in which education is undergoing significant change, she described the current contract as "the concrete that holds it all together." The district's finance officer also noted that, because of recent improvements in the district-union relationship, broader organizational issues such as a lack of internal consensus likely posed more challenging problems to education reform than the contract.

Several other districts are also striving to work with their unions to achieve desired performance outcomes. In our high-performing district in which administrators often described their relationship with the teachers union as "collaborative," administrators noted a commitment to ensuring that communications between the union and administrators continue to be focused on problem solving and common goals regarding student performance.³⁰ This district had also recently signed a multi-year contract with its union.

In our matched, high-performing district, located in what several described as a "blue collar" or "union" town, administrators feel that their relationship with the union is improving and incorporating aspects of reform bargaining (collaboration, interest-based bargaining). However, efforts are limited somewhat by the union's use of strikes and subsequent concessions in other districts to gain leverage in their own district. The school board president agreed, arguing that the goal of achieving harmony has taken precedence over achieving efficiency. In his words, the contract is "fraught with waste," a result of bowing to union demands. However, he added that he did not think that such waste represents a significant amount of district spending. And, his sentiment regarding waste in the contract is countered by the district union representative who views the relationship as positive and the contract as making efficient use of the bare amount of resources available

Administrators feel that union tactics include playing one district off the other. Union tactics were sometimes blamed for increasing the antagonism between districts or buildings and the teachers union, particularly in districts where administrators are concerned about the quality of relationships and the effects of contracts. In Districts One and Four, administrators described

³⁰ However, one dissenting administrator stated that public education remains balkanized, with various organizations such as OSPI, the PTA, and in particular the teachers union still failing to find common ground.

feeling “targeted” and “attacked” by the unions. In District One, our rural district, administrators claimed that a recent focus by the state teachers union on improving benefits had forced the district to implement “the best insurance [plan] this side of the mountain.” While administrators were somewhat proud to offer good benefits for their teachers and felt that these benefits helped lure quality teachers into the district, they were also frustrated by their feeling that the state union will often “play districts off each other.” As one administrator explained, the union focused on insurance in their district, while focusing on optional days in an adjacent district:

I know why they were doing that is so the next time they can go, “Well, _____ gives optional days. They have two more optional days than you guys.” And then they go to _____, “Well, how come they’re giving more insurance than you?”

The majority of administrators in District One agreed that these tactics had been used in their district and are frustrated that the demands seemed to be increasing every year.³¹ This practice has become so extreme that as one finance officer pointed out, in his district, “They asked for TRI days but we asked them to define what it was, and they couldn’t define it. They just knew it was supposed to be part of every platform.”

Administrators in Districts One and Four described more difficult relationships with the teachers unions than those in other districts, and their discontent extends to the structure of local bargaining. They argued that unions should negotiate directly with the legislature for many of the options for which they currently negotiate with the district. Administrators in both districts asserted that while the state legislature negotiates the salary schedule with the unions, they place the onus on local districts to supplement benefits and “optional” time, such as TRI. Other administrators claimed that the legislature was only fueling the antagonism between unions and districts by saying, “Here is what we give you. Now go beat up on schools to try to take some of your basic money out of education and put it into salaries.” In these districts, administrators feel that this process was largely responsible for their local problems in contract negotiation and for the strikes they had experienced.

Administrators feel that seniority and transfer rights at times restrict their ability to deploy staff. One way in which the contract affects resource use is through the contract staffing provisions. In all five of our study districts, contractual rules dictate where staff can be placed and under what conditions they can be transferred. Administrators described feeling that while the allocation of staff to positions is one of their most important duties and has enormous effects on student achievement, teacher contracts curtail their abilities to act as they felt appropriate.

A few administrators identified continuing contracts and seniority as particularly constraining. In our matched, low-performing district, two administrators implicated the teachers’ contract in limiting their ability to adjust the courses being offered to fit the changing demographics of their students as well as a shifting economy. As the superintendent put it, “I think the real frustration for staffing is that you use the staff you have whether or not that’s the staff you need.” As both he and the human resources representative explained, even as needs

³¹ Some administrators were relieved to have recently signed a three-year contract because it means they would not have to tackle new demands on a yearly basis. As the financial officer in District Four explained, negotiating is really about “seeing how little you can give in” during the bargaining process. The school board president in District Five observed that because the unions “ask for the sky” during negotiations they put board members who have experience dealing with the unions into the negotiations. Nevertheless, the board must be careful not to anger the union, implying that to do so might severely limit one’s chance of reelection.

change, teachers receive continuing contracts and remain endorsed in the same subjects, the result of which is course offerings that are based on what teachers can teach rather than what standards or student preference would dictate. In this same district, the human resources representative also pointed out that seniority rights created winners and losers, noting that that teachers are able to move to new schools via seniority even when their original schools have invested in their training.

In our rural district, administrators find that seniority and other provisions of the contract limit their ability to transfer teachers to new positions. As the human resources representative observed, their previous contract requirements dictated that as long as a teacher has certification in an area assignment was strictly by seniority. This standard was relaxed somewhat with the recent contract,³² but the district was unable to obtain the standard they wanted, which would have stated that assignments are solely “at the discretion of the district.”

In the remaining study districts in which local teacher contracts do not include provisions for seniority or contain some flexibility regarding the role of seniority, administrators generally did not describe having problems with deploying teachers as they saw fit. In our wealthy, high-performing district, for example, the union representative observed that buildings are given an FTE count but are able to move staff around. A building principal in our matched, high-performing district described her own practice as assigning teachers in their areas of strength, even when that area is not their preference. Another principal in the same district described feeling that their contract was more flexible than others because he is able to transfer teachers to alternate classrooms. While doing so might provoke resistance, it is not a violation of the contract. In District Two, the union agreed to relax seniority transfer provisions in the most recent contract in an effort to reduce the achievement gap by reducing turnover in low-performing schools.

Administrators perceive that they face contract limitations on the use of teacher time. One reform that administrators, especially at the building level, have attempted in an effort to meet their student performance goals is to configure the school days in innovative ways. In one school, for example, the principal attempted to move to an eight-period-over-two-days schedule, proposing that teachers see fewer students in a day. However, she was unable to obtain approval from 65% of the teachers to waive the contractual agreement regarding the organization of the school day. An administrator in our rural district stated that discussions within the district to set up *looping*, a system by which students stay with the same teacher(s) for multiple years, fell flat because the contract does not allow it. Particularly frustrating in this case was that a number of teachers were on board and had to be told they could not teach in this manner.

A number of districts have also implemented late arrival and early release days, which are typically bargained. These times are used for a number of different functions including professional development, team and building meetings, and teacher prep time. One area of disagreement between teachers and administrators is over how this time should best be used. In District Three, for example, administrators are dissatisfied with the contractually required early release time each Monday. According to the contract, three out of four of these days are controlled by teachers, whereas every fourth day belongs to the principal. While teachers can

³² To get around this standard, he observed, administrators could challenge a teacher’s qualifications under No Child Left Behind, which requires teachers to be “highly qualified,” however they have not yet had such a situation. He pointed out that the district would likely do so if they felt a teacher was “killing us on the WASL.”

choose to meet in grade level teams during their days, the principal cannot mandate that they do so. In addition, principals express frustration that teachers are not even required to stay in the building and don't have to show how they used the time.

While the use of this early release time is particularly salient in District Three, disagreements about the importance of prep time, which occurs both during truncated school days and embedded within the school day, came up in all our study districts. While officials want teachers to be prepared, they expressed concern about the loss of instructional time. As one human resources director put it:

I think prep time is a leaky bucket . . . it's just more and more and more. At some point you have to be [teaching] kids . . . I would love to have two hours a day where I could sit down and prepare for what I was going to work on today.

Finally, discussions about how the contract affects resource use inevitably led to discussions about TRI in some of the study districts. Time, Responsibility and Incentives pay has been implemented in three of our study districts and is a contentious issue in two of them. The purpose of TRI pay is to compensate teachers for work they do outside of school, including professional development, planning time, and team meetings. While on its face TRI appears to offer a potential solution to administrators' dilemmas over scheduling professional development time that addresses teacher salary complaints, administrators' assessment of TRI is overwhelmingly negative. As one educator put it:

When the state suspended raises for staff, the state teachers union set up a way for teachers to get a raise without getting a raise. And basically it was called TRI.

Despite some arguments that teaching is a profession in which teachers should "stay until the work is done," administrators generally do not argue against TRI because it offers payment for work done outside of the school day. Rather, they oppose it because it is costly, it shifts the burden of paying teachers from the state to the district, and by compensating teachers for activities performed away from work, it reduces principals' abilities to monitor the use of paid teacher time. Additionally, especially in District Five, the contractual definition of TRI is loose, and teachers are not held accountable for their time. The net result, according to administrators, is that some teachers are actually *less* willing to engage in activities outside the school day than they were before because they assume they will be paid the full number of TRI hours regardless of what they do. One principal in this district explained the shift in teachers' willingness to participate in staff training since TRI was implemented:

In the past, when we had a staff-training day, you would have everybody show up. Now, you can't require them to be there, because it's a TRI day. And I had an in-service scheduled, and it was a two day in-service, and one was . . . one of these LID days things that that state does. So everybody was there because they get extra pay for that. It's part of the contract. And the next day was a TRI day. I had four people show up. If it hadn't been for TRI, everybody would have been there.

This experience was a common one in District Five where administrators feel that *some* teachers appeared to be taking advantage of the program to the detriment of attendance at training events and graduation ceremonies. Concern about this behavior led District One to oppose a TRI program that does not require teachers to turn in timesheets. Indeed, administrators in District

Five anticipated this problem but gave in when they were only hours away from a strike on the issue.

Though discussions about TRI were less frequent in Districts One and Three, administrators in these districts still expressed concern about TRI. In District One, the finance officer pointed out that TRI cannot be used as an incentive because all teachers are eligible for the full number of hours. In District Three, administrators are mixed in their assessment of TRI (which they call “optional hours”). Whereas the business services manager views optional hours as one of a number of positive incentives they provide to encourage teachers to stay with the district longer, one building principal described optional hours as an example of the contract functioning as an “Achilles heel,” because a teacher need only “fill out a form saying, ‘I did these things’” to be compensated for the optional hours. At the same time, this administrator noted what many other administrators who took issue with TRI seemed to imply, namely that most teachers care about their students and thus do not take too much advantage of this time.

Administrators also feel that staff reduction efforts are constrained by contract provisions. Another predominant theme in District Two, a large urban district, is that seniority must be considered during reduction in force situations, necessitating that teachers with the least amount of tenure be let go first, regardless of their actual contribution to student learning.

Some building principals in this district observed that this practice is problematic:

- Interviewees noted that seniority-based layoffs can frustrate attempts to meet the “highly qualified” requirements of NCLB.
- A principal described having to let go an instructional assistant in which she had invested a great deal of training because another instructional aide had more seniority.
- Another building principal observed that the practice of retaining teachers with more seniority often means that teachers of color, who often have less seniority, are let go while their white counterparts are retained. This is especially problematic in a school where the student population is comprised primarily of children of color:

I have a school that’s 95 percent children of color, and the first person I have to lose is somebody who looks like them . . . They’re absolutely great teachers. Some of my best teachers are my newest teachers, and they’re the first ones who get cut when there’s some sort of cut.

However, one building principal indicated that he was able to work around such seniority layoff provisions by making the most of each teacher’s various certifications (e.g., moving an experienced teacher into another subject area for which they had an endorsement, thereby enabling a less senior teacher to remain in their current position).

When principals feel that teachers are not performing adequately, their main recourse is through the evaluation system set out in each contract. Typically, these systems make allowances for subsequent teacher improvement and provide resources for doing so. If teachers do not improve, administrators can begin termination proceedings. While the steps and timeframes for termination vary across districts, administrators’ assessments of these proceedings in four of our study districts are similar. While administrators recognize the utility of having an evaluation

system in place, many are frustrated with the amount of effort necessary to fire under-performing teachers.

This theme was especially prominent in the innovative district and in the matched, high- and low-performing districts, in which building administrators in particular complained about the hoops they must go through in order to terminate under-performing teachers. As this principal from the innovative district explained:

I have a really hard time supporting poor teachers in the schools . . . We write up [an] evaluation or begin working on teachers and help supporting them to improve them. And, if they're not improving, we've got to counsel them into a different direction. And that's one of the big things, it takes so much time and effort from an administrator—sitting in their classrooms on a weekly basis, [providing] written feedback, meeting with the teachers, meeting with the union reps—and to move a teacher out of the system, it takes a whole lot of time to do that. And what I would like to see is something different in the contract, the way it's written at the state level or something to say, "Ok, it's just not working for you. This isn't a good match here. You're looking at the data [and] your students haven't improved at all this year in terms of academic achievement in your math class. And either this changes, or you go. You've got so much time to do this." So, an easier way to move teachers out, so we can get more effective teachers in.

Despite these reported difficulties, some principals do appear to be taking steps toward removing these teachers. One principal in the matched, high-performing district explained that while a teacher cannot be fired in one year, she had two teachers she was unhappy with and was working on “getting the plan together” to let them go. Another teacher in this district has fired three teachers in the past five years. In the matched, low-performing district, one building principal has made an effort to focus on teacher performance, getting rid of two teachers in one year. Although she described the process as “stressful” and “time-consuming,” she also feels that the process “got people’s attention.” And the union representative in this district also stated that he worked with teachers to counsel out those who faced potential future termination.

District officials’ assessments of the evaluation process were also mixed. In Districts Four and Five, some respondents echoed principals’ sentiments. In District Four, the superintendent described the firing process as “pretty darned impossible,” explaining that the union resists the districts’ attempts to track poor-performing students to see if they can be associated with individual teachers. In the same district, the assistant superintendent of instructional services applauded principals for “taking a stand.” In District Five, the human resources representative, while proud of the fact that the district puts forth effort to address problematic teachers, also pointed out that the district has spent a large sum of money getting rid of those who cannot be remediated. He claimed that the process is so cumbersome that it sometimes takes two years to fire a teacher and is complicated by the fact that the teachers have the court system to “back them up.” The union representative in District Two voiced a different complaint, claiming that the evaluation system is a “coercive, gotcha evaluation system” and that it is inadequate in helping teachers improve. From her perspective, a new system should be constructed; however, in attempting to do so she has found that some teachers resist because they can “slide by” under the current system. Some principals also resist because the new system “requires them to be instructional leaders,” rather than “checking off boxes.” Conversely, the human resources officer in District Two voiced the opinion that the evaluation system was an

effective means for dealing with poorly performing teachers, but that people did not use it to its full extent. The union official in District Five also claimed that the process was “not bad,” stating, “[Teachers] can get better, or they [can] be removed. And maybe, in either case, that was the right thing.”

Two district officials came to the defense of the evaluation/due process system. The innovative district’s human resources officer, who had been a principal, expressed the opinion that the evaluation process is important to maintain teacher workplace quality:

As a principal, I felt like [the evaluation/removal process] was pretty darn time consuming and a little restrictive on me. Although when I needed to do something I could do it . . . It took a lot of time, but I could do it. When I got to the central office, I realized that without those constraints we could treat people really badly . . . Due process is not a bad thing. And it makes you do fair and reasonable [things] . . . The part I really like about it is when you have that and you deal appropriately with someone, everybody else relaxes.

And the chief academic officer in the wealthy, high-performing district stated that the contract keeps the district from asking too much of teachers:

The contract is designed to represent the best interests of the teachers, obviously, and has stipulations such as the number of hours teachers can be called back for special meetings. And we arrive at those things collaboratively, but certainly they do create a structure that we have to work within . . . And that’s appropriate that we do put some guidelines because we do tend to get a little gung ho up here, and [we] say, “Wow. Let’s get some teachers together to work on that.” When you have a dozen teachers per grade level at the elementary, you can overuse those folks pretty quickly.

Administrators perceive that district salaries, benefits, and supplemental pay are influenced by collective bargaining. In addition to influencing the use of teachers as a resource, our interviews indicate that collective bargaining also influences teacher salaries, benefits, and supplemental pay. Salary increases have become a major issue in our innovative district, which recently implemented a five-year contract. This contract mandates increases in teacher salaries to be competitive with the surrounding districts. The contract stipulates that after five years, the district will rank 5th out of the 12 nearby districts in teacher pay. Though this increase is far from the top end of the state salary schedule, respondents hope that paying higher salaries will help reduce inter-district teacher mobility, as teachers often work in the district a few years and then transfer to districts that pay higher salaries. Reducing teacher mobility is seen as an important lever in closing the achievement gap

In our rural district, the human resources director claimed that teachers’ pushing for higher salaries has forced the district to not rehire when they lose teachers as well as cut funds from other sources, such as out-of-state travel for professional development. As he explained:

One of the reasons we had to let people go through attrition is because every year the teachers want more money. [The money has to] come from somewhere . . . We have a limited amount of money that we can give year-to-year, and so that’s basically it. It has a huge impact.

State-mandated raises have also been costly to districts. Several administrators pointed out that while the state gave raises to only state-funded employees, the union contract requires that all staff, including those funded solely by local resources, receive the same raise. Thus, the district must cover the cost of raises for these employees. In District Five, the human resources representative observed that the district needed to use \$61, 000 from their reserves to cover the cost of raises for 184 staff members who are not state-funded. Additionally, in District Three, a local rule says all district employees get a raise when teachers do. The school board president pointed out that this amounts to quite a lot of money because principals, who make a higher salary, are also included.

The inability to pay teachers differentially has also come into play in some districts where administrators would like to offer incentives or other supplemental pay. In District One, for example, the curriculum director pointed out that they would like to offer stipends to bilingual teachers in their dual language school to recognize that they do more work than other teachers (e.g., interpretation in home visits). As she pointed out “We treat all teachers as equal when [they’re] not.” Not all unions resist these provisions however. In District Two, differential compensation, or “hazard pay,” was negotiated into the recent contract in an effort to keep teachers in hard-to-staff schools.

Administrators feel that class size decisions are influenced by local contracts. In addition to how they are compensated, the number of students with whom a teacher makes contact during a day is often negotiated into local contracts. In Districts Two and Four, for example, the union contract stipulates that teachers with student loads of more than 150 pupils a day receive additional compensation. Despite the use of I-728 to stay within these limits, one principal noted that the school had paid out \$7,000 in class overloads to teachers as some class sizes crept up toward 34, 36, and 38 children. While some of these large classes resulted from math teachers volunteering to take on extra kids to lower the class size in remedial classes, the union requires that additional stipends be paid per the contract. The same principal also observed that union involvement in class-size issues seems to be increasing and that more teachers are unwilling to take more than 150 students. In District Five, the union representative confirmed that class size is a common issue when bargaining, and he also pointed out that he doesn’t think teachers really understand how expensive lowering class size can be.

The above sections described some external influences on student performance and reform efforts. The adequacy, equity, and regulatory requirements of education funding also influence student performance and reform efforts, as described in detail below.

System Funding—Adequacy, Equity, and Regulatory Requirements

According to our interviews, in general, administrators feel that education funding in Washington is antiquated in structure and not sufficient to bring all students, especially special needs students, to the standards established through state and federal accountability systems, although a few noted the difficulty of allocating resources within a system of competing needs. This underfunding, in conjunction with mandates and set asides and the ever-increasing costs of operations and maintenance and health care, reportedly makes districts dependent on local levies, grant funds, and philanthropic giving to support many of the student performance reforms identified earlier. Not only are these sources of funding far from stable (e.g., levies fail; grants

end), but they are also inequitably distributed among districts. Therefore, educational opportunities for children vary across the state.

Respondents also indicated that rules and regulations constrain their efforts to improve student performance. Grants and categorical funds frequently come with strings that limit which students can be served by the funds and what the funds can be spent on. Such restrictions reportedly hinder the implementation of strategic, focused, and cohesive education programs designed to improve student performance. State rules and policies place limits on class size, the length of the teacher workday, the use of planning time, and the amount of time that must be spent on certain subjects, thereby preventing the use of some reform strategies that could otherwise be implemented to improve student performance.

Amount and Distribution of Money in the System

Most respondents claimed that state education funding is inadequate—with regard to both basic education funding as well as other funding such as that for special education, transportation, and levy equalization—to bring all students to standard. Some interviewees also see the education funding system as inequitable through the functioning of the salary schedule and from variation in the ability of local communities to pass levies. Our interviews indicate that the combination of inadequate/inequitable funding, unfunded mandates and set asides, and ever increasing costs associated with operations and maintenance and health care create a situation whereby districts rely on grants and philanthropic funding to support their improvement efforts.

In general, administrators feel that state education funding is insufficient to get all students to standard. In each of the study districts, nearly every individual interviewed indicated that there was not enough money in the system to get all kids to standard. In addition, one respondent noted:

When we set the bar, no one ever said, “What is it going to cost to do this, and . . . are we adequately funding public schools? And do we really mean we want 100 percent of the students to meet that criteria, or are we really meaning 80 percent would be good, and we think we can afford to pay for 80 percent?”

Another interviewee stated that as we get closer to 100 percent of the students passing, it will take ever-increasing funding to get the last kids over the bar. In addition, federal and state requirements—such as learning plans for students performing below standards and the requirements for “highly qualified teachers”—are perceived as expensive and time-consuming, and administrators question how they will find the resources to implement them. Some respondents noted that there is not enough money to fund all good ideas educators have for improving learning. Several subjects also indicated that if they received more discretionary funds or if fewer state mandates existed, the amount of money provided would be sufficient. In general, a statement by a building principal reflected the feelings of many regarding the amount of money provided, “It’s like Jell-O—there’s always room for more.”

While most people feel there is not enough money in the system, some respondents indicated that there was. A union official in the rural district indicated that not only did they have enough money, but they have too much. This official attributes this resource sufficiency to their high-minority population and associated special needs funding. A building principal in the innovative district noted that they have enough money, but only because the parents contribute generously to the PTA, “Yes, we’ve got a pocket of town here that can pay for it. Is it really fair? Should the

state do something different?” Similarly, one district official in the wealthy, high-performing district indicated that they have enough money, but only because they have a foundation and well-supported PTAs.

A few respondents indicated that they do not know whether or not there is enough money in the system. A finance officer in District Two noted:

I think that's a very legitimate question, and it's difficult . . . to give an honest answer. The fast, emotional answer is, "Of course not. We need more money." I think a more correct and honest answer is "We don't know." I can tell you for sure that we need more money to do things like provide special education services because of the IEPs and because of the requirements . . . Then you get into the difficult ones. Do we need more money to help kids get through that aren't special needs—single language, born here, all of that? Under our current expenditure model, the answer could be yes [but] isn't necessarily yes . . . Under our current expenditure model, without clarity of what we want those kids to know and be able to do, I don't think there is enough money.

An official in District Four further clarified the difficulty associated with allocating resources for education within a system of competing needs:

I think that often folks feel that you have to have more, and I think you can always do with more. We could have more counselors. We could have social workers. We could have more instructional coaches. But we have to understand that as a society we have needs throughout. And education is the paramount duty, and I think it is the equalizer. But we have a lot of needs, and we need to be very realistic about using what we have wisely and understanding that in asking for more, we have to be able to show that what we're doing is making a difference and that we have the data to back up not only our needs but our wants, and that working with other agencies and the state and the feds as a whole needs to all be blended together.

Administrators view basic education funding as inadequate. Respondents in each district mention that basic education is not adequate to get all kids to standards and provide non-core programs such as art, music, and drama.³³ They noted that, in the past, the state funded a majority of the cost of education, but now the state is decreasing support and therefore requiring districts to rely more on local and federal funding. Interviewees also noted that the state is spending a lower portion of the state general fund on education than in prior years. Several interviewees noted that the basic education funding system is antiquated and not aligned with new expectations:

We live in two worlds. We're funded in a system that's time-based, that's student-count based, that's seat-time based. All of those things are the old system. It collides with high expectations for all kids, which requires a different service model, a different way of funding, a different way of accountability.

Administrators feel that the state underfunds special education, transportation, and levy equalization. Respondents across the districts claimed that special education is underfunded at the state level. First, several respondents mentioned that the state's 12.7 percent cap on the

³³ For a description of state basic education funding, see appendix B, beginning on pg. 119.

funding for special education students is “artificial,” and requires districts to make up the difference between what they receive from the state and the cost of services their special education populations require. Because this difference is made up with levy or basic education money, educators perceive a growing tension between regular and special education in schools. Several also noted that an upper limit on special education funding is ironic since schools can’t choose which children to educate; they must take whichever students enroll. In addition, interviewees in several of the districts indicated that parents with special-needs students move into the districts specifically because of the extent of their programs for special-needs students and that the cap essentially penalizes them for providing quality services to these children. Interviewees also claimed that they are seeing more children with severe needs and that it is very difficult to obtain special education safety net funding.

Interviewees noted that transportation and bilingual education are also under-funded by the state. These problems appear to be especially troublesome in District Two, where a school-choice program results in transportation costs far in excess of state-funded amounts and where a student population with a large variety of first languages other than English results in a similar variety of English language learner programs. Lastly, an official in District Two noted that while levy equalization helps, it is also one of the first funds to be cut and is therefore frequently underfunded.

Administrators think that the state FTE/salary allocation is inequitable and deficient.³⁴ Interviewees pointed to several elements of the state salary schedule and FTE allocation mechanism that they feel constrain them, including:

- The salary mix factor includes teachers that are purchased on grants. If a district hires several new, young teachers on grants, the ensuing salary mix factor results in a decreased salary allocation for the district, even though the mix of teachers the state is supporting has not changed.
- The state does not fund teachers equally across the state.
- The salary allocation does not have a cost of living factor.
- The salary allocation schedule does not support the use of incentives and does not allow the use of local levy funds to support such incentives, requiring private funds be raised to support any programs using incentives.
- The state mandates raises and increases in health insurance benefits for all staff but provides funding only for state-funded positions.
- State funding for administrators is too low.
- The state staffing formula was developed 30 years ago and may not correspond with current needs.

Other issues with the state funding formula include non-incremental costs, transparency, and funding for additional students supports. According to respondents:

- The formula does not account for large nonincremental costs associated with incremental increases in the number of students, such as adding a teacher or

³⁴ For a detailed description of the state salary allocation, see the section on basic education funding in appendix B, beginning on pg. 119.

classroom. Similarly, the formula does not account for fixed costs that cannot be eliminated immediately with incremental decreases in the number of students (teachers, buildings).

- It is hard for board members to understand the state funding formulas. As one respondent noted, “The more layers you take away from the onion, the worse it gets.”
- The non-employee related cost allocation has not increased in years, and this allocation amount was determined before technology became a significant cost factor.
- The funding formula provides staff for only five classes at the secondary level. The community in one study district requires seven classes.
- The state funding allocation does not support full-year classes.
- The state only funds half-day kindergarten.

Administrators feel that districts are constrained by unfunded mandates/set asides.

While respondents indicated that the state education finance system does not provide adequate education funding, they also indicated that unfunded mandates contribute to financial problems. District officials claimed that what they are required to do has increased (test students, analyze data, get students to standard), but funding has not. Specifically, they noted the following unfunded mandates:

- *No Child Left Behind* (NCLB) requires set-asides for school choice (transportation), even though there may not be any better choices in the area. When these funds go unused, the district must quickly spend them on something else for Title I students because they cannot be rolled over.
- NCLB’s “highly qualified” requirements mandate that paraprofessionals receive certain training; however, paraprofessionals have low salaries, requiring that districts pay these costs. In addition, with this additional training, paraprofessionals could request an increase in salary.
- Districts have to meet the standards of the Americans with Disabilities Act (ADA) without additional funding.
- Districts have to comply with environmental/workplace safety requirements without additional funding.
- Districts have to develop learning plans for students who do not pass state tests without additional funding.
- While the actual Title IX legislation allows districts to provide girls opportunities for sports by cutting boys’ sports, in the real world, the choice is never to cut boys’ sports, it is always to add girls’ sports.
- Truancy reduction, drug and alcohol instruction, and security in the classroom are all required without additional funding.
- NCLB requirements regarding “highly qualified” teachers, parent involvement, and information reporting are not funded.

- The state keeps increasing its assessment requirements without additional funding.

Administrators claim that districts struggle with the costs of building operation and maintenance, instructional materials, and health care. Respondents indicated that while inadequate funding and unfunded mandates constrain their activities, so do fixed costs and other budget drivers that are beyond their control.

Respondents across the districts indicated that salaries (for teachers and other staff) consume a large portion (approximately 80 percent) of the budget. In addition, interviewees noted that health care costs are consuming more and more of their resources. Officials in District One reported that both the need to keep qualified teachers and pressure by the Washington Education Association led them to commit to paying for health care costs not funded by the state. Administrators in District Five noted that benefit rates in their district are at 44 percent, which is at least partially attributed to “skyrocketing” health care costs.

Interviewees also indicated that necessary and often fixed operations and maintenance costs basically consume the remainder of their budget. Respondents mentioned the costs of running and maintaining busses; obtaining and performing periodic assessments; purchasing new textbooks and instructional materials; supplying recurring items like paper and copies, projector bulbs, and printer rental; paying for utilities such as electricity, water, sewer, and heat; maintaining buildings and grounds and repairing damage caused by daily use and vandalism; and paying for computers and associated software, maintenance, and replacement. Study districts also mentioned the costs of complying with workplace safety requirements, asbestos and other environmental regulations, and nutrition and physical education standards.

Respondents claimed that as a result of these fixed costs and declining state support, they frequently have to defer building maintenance and improvements or decrease funding for custodial services. Respondents also indicated that renovation costs sometimes prevent instructional reforms, such as when the cost of increasing the number of classrooms prevents smaller class sizes. Others reported struggling to find money to convert storage rooms into classrooms for individualized instruction. Administrators in one study district noted that even when enrollment declines to the extent that it is possible to reduce fixed costs by closing schools, the act of closing schools is not an easy step to take and has potential political repercussions. One official in District Five indicated that they were using money normally dedicated to building maintenance to provide educational programs because of a large budget gap. Several study districts mentioned cutting central office staff in order to maintain programs and pay fixed costs.

Administrators see local tax collections as overly influential despite levy limits³⁵. While Washington limits the influence of local tax dollars through the levy lid, most interviewees seem to feel that local levies still has too much influence. Interviewees in the rural district claimed that they cannot raise levies like other areas because of a loss of industry and agriculture, white flight, and a migrant workforce. A District Two official noted the local levy is a poor way to finance schools because the repercussions of a double levy failure are so devastating. In the matched, high-performing district, respondents indicated that as a poor district with an already high tax rate, they will not be able to increase funding until the economy improves. Respondents in the matched, low-performing district also reported that their economy is suffering and that it is hard

³⁵ For a description of levy limits in Washington, see appendix B, pg. 117.

to convince people to pay more taxes. Meanwhile, administrators in the wealthy District Three claimed that they could raise more funds if the state relaxed the levy lid and that if the state fully funded basic education the levy lid would not be necessary.

Administrators state that districts rely on various nonbasic education funding sources to support educational activities. Interview respondents feel that funding and resources outside of the basic education funding contribute in very significant ways to efforts to improve student learning. These funding sources and resources include I-728 funds, categorical and grant funds, philanthropic monies, and partnerships. Many of these resources support teacher professional development, but they also fund activities such as reducing class size, providing extended learning opportunities, and purchasing educational materials, assessments, and computers.

Respondents at both the district and school levels in four of the five districts³⁶ specifically mentioned how I-728 funds have been integral in helping them maintain or lower class size, provide early childhood education, create extended learning opportunities (before and after school time, summer school, tutoring, math camp), provide professional development or coaching, or provide other services to at-risk students. Many respondents noted that the I-728 funding has been especially important because of other cuts in state funding; however, some also noted that while I-728 has helped to lower class sizes by one or two students per teacher, the funding has not been sufficient to reduce class size to the ratios required to see improvements in student performance.

Districts in our study also indicated that categorical funds were very important to their work. District One officials noted that they are “addicted” to federal funds such as Title I, tribal, migrant, military, ELL, and Reading First funds. Respondents mentioned that the district has a grant writer on contract who brings in over \$10 million in grants each year. This district uses grant funds primarily to support teacher professional development, paraprofessionals, and preschool. District Two receives funding from a special education levy, which funds family support workers and after-school activities. Respondents in District Two also reported using Learning Assistance Program (LAP) money to hire instructional assistants and provide double doses of math instruction. According to District Four officials, they use 21st Century Schools and United Way money for after-school programs, Title IIA money for providing professional development, grant money for computers, ESD grant money for a mentoring program and media supplies, LAP funding for summer math camp and before-school math, and TRI money for professional development. They also mentioned the importance of Medicaid Administrative Match, Running Start, and levy equalization. District Five interviewees talked about using 21st Century Schools money for after-school programs, Title I money for periodic assessments and school liaisons, LAP money for student learning plans, Title I and II and LAP money for TOSAs and math coaches, Math Help Core funds for coaching and training, federal dollars for literacy training, Readiness to Learn money for parent involvement, the Governors Dropout Grant to engage high school students, Title I for all-day kindergarten, and Medicaid Administrative Match money for curriculum adoption and professional development.

³⁶ Interviewees in the fifth district, which contains a high percentage of minority, ESL, and free/reduced-price lunch students, did not mention I-728 by name but did discuss the importance of categorical funds. It is not known whether they were including I-728 funds in their discussion of categorical funding or if the I-728 funding was not as significant for them because of the other at-risk funding they receive.

Philanthropy is also an important source of funding for the schools in our study. Such funding is especially prominent in District Three, which has a foundation that raises approximately \$500,000 per year. This foundation was formed after the passage of the levy lid law. Currently, the foundation pays for all of the district's books, supports curriculum adoption/collaboration/training, funds professional development, and pays for other extras such as computers, drama specialists, and artists-in-residence. The foundation also supports the Teacher Innovation Project, which allows teachers to apply for \$3,000 to \$4,000 grants to support learning activities. Study participants indicated that the foundation is very important to their success, noting that they could not maintain their success without it. "If we didn't [have the foundation], said one interviewee, "We would be up the proverbial estuary without means of locomotion." Philanthropic activities in District Three also include very active school PTAs who raise about \$50,000 per year per school to support paraprofessionals, field trips, grants for teachers, and professional development. In addition, at the time of our interviews, efforts were underway to establish a \$1 million arts endowment to support construction of a theater. Also, two banks and Boeing supported the implementation of policy governance in the district, and the district has also obtained a Gates Teacher Leadership Grant for professional development. Finally, according to respondents, parents pay for summer school activities and provide volunteer time.

Philanthropy plays an important role in other study districts, too. According to our interviews, District Two depends heavily on philanthropic grants and school PTAs. Philanthropic grants in this district include Gates funding for professional development and other foundation funding for middle school literacy coaches. The district also receives support from an outside-district organization that provides funding for classroom personnel. In District Four, the Dreamers Club consists of a group of private citizens who raised \$1 million to mentor kids and provide money for college. PTOs and PTAs in District Five fund the outdoor school program, which allows teachers to take kids out of the school building to make learning more relevant.

While districts indicated that they depend heavily on grant and categorical funding, interviewees across the districts lament a lack of stability in these funds. They noted that for some categorical programs (ELL, special ed), when performance improves, they lose funds even though the students still need support. Respondents also complained that they get used to providing a certain grant or program, and then the funding ends even though the need does not. The termination of 21st Century money is an example of this. A building principal provided another example with the loss of Gates professional development grant funding:

I don't know if the Gates folks realize what they're doing when they cut all those dollars from us because it was a very, very substantial cut, even though it wasn't a lot of dollars. I got \$10,000 last year for professional development, which is not a heck of a lot of money, but this year I have zero. So I had to take \$10,000 out of something else. Years before that, I was getting \$15,000 or \$20,000, which is still not that much money, but it gave me a pot of money that I could use for professional development.

District and school officials also noted that because grant and categorical funding is not guaranteed, it makes it hard to do long-term planning.

Several study districts mentioned forming partnerships with local organizations to support education programs. According to respondents, District One formed a partnership with a local

organization to provide preschool, and District Four has partnered with daycare facilities to provide preschool. District Five administrators discussed partnering with a community organization to provide after-school programs after the 21st Century money expired. District Three has a partnership with the city where it is located; the city provides for counselors to work with children on interpersonal relationships. In addition, in District Three the city pays for part of the maintenance of school buildings in return for limited use of the facilities during out of school hours.

Regulations and Restrictions on Spending

When asked if there are rules or strings that hinder their activities, most respondents indicated they were constrained by some type of restriction, and they also provided examples of such constraints, as detailed below. One interviewee noted, “The system has changed because of accountability, but we’ve hung on to all the WACs [Washington Administrative Codes] and still keep adding new dictates all the time.” Another respondent noted, “Washington has more rules than any other state I know of.” Yet another interviewee claimed that sometimes the state and federal government try to reduce requirements (e.g., the school-wide Title I programs), but invariably they eventually start tacking restrictions back on. This interviewee noted that all it takes is one person to abuse a program and then regulators write new rules. Study interviewees indicated that the rules associated with federal funds are more restrictive than those associated with state funds.

A few respondents (about four) indicated that rules and strings exist but do not hinder their actions because they understand and know how to work with the rules. One respondent indicated that rules are not a hindrance because the district has enough money to work around them. District and school officials did not report using waivers to get around rules, indicating that waivers are frowned upon by state officials and that they do not want to risk being out of compliance.

Administrators feel that recordkeeping and reporting consumes valuable time. Across the five districts in our study, interviewees noted that a great deal of resources are consumed simply maintaining audit-proof records for and performing mandated reporting associated with federal and state categorical funds. Respondents indicated that recordkeeping and reporting are especially arduous for special education and Title I funds. Administrators mentioned the difficulty of demonstrating that you used every dollar correctly, keeping track of clock hours for teacher certification, and proving that a certain person worked in a certain position for a certain amount of hours. In addition, officials in one district noted that they have to pay state auditors, and then frequently the auditors themselves do not understand the rules so they must be tutored by district staff.

Administrators perceive that their actions are constrained by categorical and grant restrictions. Respondents identified several restrictions that affect the use of federal and state money, and several mentioned that they would like more leeway to decide how to best spend this money. One interviewee noted that sometimes the state or federal government replaces flexible funds with restricted funds and that such replacement limits their creativity.

Educators reported that categorical funds, for instance, restrict spending to specific students (migrant, bilingual, special ed, Title I), preventing the supplanting and braiding of funds. But interviewees stated that they would like to be able to use some of those funds to extend services to other non-qualifying but nevertheless struggling students. As one district official noted:

I can remember the time when I first came to this district that we had dots on the kid's desk. And green [meant] that child was LAP, and red meant bilingual, and this is a migrant. And . . . so if this parapro comes in, she's the red dot parapro because she can do migrant kids, and she can only go around and provide services [to migrant kids]. That is just ridiculous.

Respondents also indicated that categorical programs restrict what the funds are used for:

- One interviewee noted that Title II money is restricted to reading and math instruction, precluding its use for other tested subjects such as science.
- A building principal provided another example of receiving funds to implement a certain program, having students not show up to the program, and being unable to reallocate those funds to other purposes.
- Another principal noted that English as a Second Language stipulations require so many ESL teachers per ESL student, but because of the large number of ESL students in her school, she would rather spend money hiring more regular education teachers and providing them professional development on teaching ESL students.

And district finance officer typified these concerns:

Here's a great piece of money, but we can't use it for anything but Indian art. We don't need it, but we're going to buy it anyway because that's what they gave it to us for—to buy Indian art and waste the money. And sometimes we don't even spend it. We just say, "You know, we're just going to give it back to you because we can't use it. It's too restricted."

Respondents also identified other problems associated with grant funds. One building principal noted that grant application deadlines are not always aligned with school schedules: they sometimes are set during the WASL testing period. Another building principal noted that grant fund timelines can also be incompatible with school calendars, creating problems for districts that must hire and pay on a set schedule. And another building principal indicated that it is hard to get grants if you are not a Title I school. Finally, according to one administrator, if you have too many grants with different spending requirements, you lose your focus and spending may not align with goals.

Administrators think that state policies and rules act as barriers. In addition to reporting requirements and categorical and grant restrictions, interviewees identified state policies and rules that they experience as barriers to improving student performance. Respondents complained about the constraints placed on class size, the length of the teacher workday, and planning time use. Interviewees also indicated that state requirements dictating the minimum amount of time that must be spent on certain subjects limits districts' abilities to devote existing resources to core subjects. As such, our interviews indicate that state policies and rules prevent the use of strategies that may raise performance without incurring any additional costs in the form of teacher time or instructional resources.

Respondents had several complaints regarding the state's policies on dropouts. For instance, one interviewee noted that students who participate in Running Start³⁷ and do not do a final project are counted as dropouts. Another noted that when their district developed a program to bring dropouts back into the system, these returning students were still counted as dropouts for AYP purposes. In addition, students in alternative programs appear to count as dropouts because the state only looks at on-time graduation.

Administrators also identified problems with the Running Start program itself. A superintendent in one of our districts cited problems with standards, oversight of students, and the political ramifications of speaking out against the program:

Running Start needs to be looked at, and the problem is that there are really two very divergent goals. The parent's goal is, "I want to get college credit for free," and the school's goal is, "We'd like to keep the kid here so that we can offer a comprehensive curriculum and really have more control over the learning." It got so bad here [that] kids were actually bailing to go to [a nearby community college] because they didn't have to do a culminating project. And, therefore, they count as a dropout because they don't have our diploma.

This official noted that the program was a "cash cow" for colleges and that he felt it was "not politically acceptable" to draw attention to problems with it, or even to explain to parents that it may not be the best option for all children. Finally, some district administrators complained that the state does not set the budget until June or July in some years, but teachers need to know by the middle of May if they have a position in the coming year.

Having provided details on educators' efforts to improve student performance and the various factors that constrain their improvement efforts, we now turn to the closely linked topic of the system elements that study respondents would like to change.

Desired Changes

During the course of our interviews, we asked district and school officials what they would change if they could. Not surprisingly, officials often responded with changes that would help solve the constraints or problems they had identified previously. Together, the responses indicate what the "wish list" of school and district officials looks like: a desire for more resources and time to educate students, greater standardization of curriculum and assessments, more flexible funds, and freedom from some of the restrictive proscriptions of union contracts and new federal legislation.

Increase in the Amount of Resources

First and foremost, education officials at both the district and school levels wish they had more resources to achieve their goal of educating students. A few respondents mentioned that they feel the drive for more resources must happen at the highest level with a renewed national commitment to educational excellence. One superintendent holding such beliefs said he believes that our democracy depends on our ability to effectively deal with achievement gaps.

³⁷ Running Start allows high school students opportunities to simultaneously earn high school and college credits at public expense.

Administrators believe that more teachers and professional staff are needed to achieve student performance standards. Perhaps the most commonly mentioned area that respondents feel would benefit from more resources is staffing: district- and school-level respondents in all districts cited a desire for new types of staff, more staff, and extended staff hours. As noted in previous sections of this report, a majority of our interviewees wish they had the resources to offer the smaller class sizes they feel would improve educational achievement. But several respondents said they need not just more teachers, but other staff as well, such as counselors, assistant superintendents, and specialists, who would allow existing administrators and teachers to focus on their own core job duties. An academic officer, for instance, said, “If we could hire a curriculum specialist for every building, you’d see wonderful things happening.” Another feels that teaching quality would benefit from more coaches and mentors on staff, and a few principals reiterated this idea, saying they need more support to develop their teaching staff properly.

Administrators desire additional funds for developing teacher and student capacity and creating teacher incentives. Several respondents, particularly those in the urban district, focused on their desire to fund additional teacher professional development time rather than more teachers. A superintendent offered his opinion that a 215-day school year that allowed for more district-controlled teacher training would be the “one thing that would help the teaching profession immensely.” Several principals concurred, wishing for more resources to support professional development and teacher collaboration during the summer.

Administrators also indicated a desire for more resources to support student capacity development. Respondents would like to provide prekindergarten services, full-day kindergarten, and extended learning programs during the school year. A union representative wanted to extend the time students can spend in quality instructional environments, pointing to the irony of how educators proclaim that they’re “lifetime learners” when schools “shut the doors at 3 o’clock.” He suggested that community cyber cafés offering supervision and security for high school students could boost performance. In a similar vein, a different respondent expressed a desire for more control over students’ noninstructional environments when their home conditions are troublesome. Pointing to crystal methamphetamine problems in the district, the interviewee thought student performance would benefit from a residential housing program that would provide students with a “stable controlled environment” 24 hours a day.

The ability to support teachers by offering financial incentives was also a desire that came up during our interviews. An academic officer in a rural district wanted to be able to offer teachers an incentive to work in dual-language schools, which tend to require more work without commensurate pay. Others would like incentives to attract new teachers or reward those already doing excellent work.

Administrators in some districts view new facilities and supplies as the most pressing need. Finally, several interviewees pointed to specific improvements to students’ daily environments that they believe could help improve performance. At least two district officials and two principals identified infrastructure changes they wish they could afford, such as more classrooms to support smaller class sizes and larger athletic facilities to enable wider sports participation among the student body.

Changes in Decisionmaking

According to our interviews, principals would like to be more involved with decisionmaking that directly affects their schools. The principal quoted below, for instance, feels that the district's leadership style precludes his input, to the detriment of instruction in his building:

The reduction of this counselor, that's going to have a huge impact . . . I don't think that [the district is] understanding that if they don't have the counselor there, then I'm going to be doing more counseling. If I'm doing more counseling, dealing with kids who are cutting on themselves or suicide or any number of things, then I'm not going to be in the classroom supervising. I'm not going to be doing whatever I would be doing to improve the instruction or the learning in the building if I'm now going to be counseling. If the para-ed allocation is low . . . then I'm going to be the highest-paid cafeteria supervisor in the state. So they're looking at the staffing as a target. It's not about the kids. It's not about the teachers. It's about meeting the target . . . it's frustration over the lack of involvement. It's . . . the lack of a site counsel at the district level. They would say that they are the site counsel, but the stakeholders aren't involved that I can see, as building principals, and we're the ones that have to make it happen . . . The thing I would change more than anything is how those decisions are made, and how information is shared about those decisions.

For this principal and others we talked to, more building control over the use of school-level resources is a desired change.

Also, two district-level representatives from the urban district expressed their desire for a more professional, more data-driven school board. One official compared the district to a large business, and stated that just as a corporate board should be composed of individuals with relevant skills and background, so too should a school board's members have the skills needed to run a large, specialized business. The other administrator stated that board members are overly influenced by parents and that he'd like to "get inside every board member's brain and flip the switch on emotion" and focus their attention on data.

More Standardization, Improved Financial Mechanisms, and More Flexibility

Some respondents expressed a desire for more standardization in the form of instruction, assessment, and accounting. Others requested improve financial mechanisms. And some indicated that they would like relief from union collective bargaining constraints and flexibility in meeting new accountability standards.

Some administrators desire more district standardization of instruction, assessment, and accounting. While principals would like to be more involved with decisions affecting their schools, some principals and district-level administrators would also like to see more standardization of key educational functions and financing mechanisms across districts. In the financing arena, an academic officer complained that the district did not have a "congruent, aligned fiscal system" (i.e., the human resources department uses one system, the fiscal office uses another system, and the categorical programs are trying to use a new budget tool). She noted that they spend too much time and resources tracking down how money is actually spent and ensuring that it is "going to the right place." A principal focused on the need for more systematic assessment and application of curriculum:

What we need is ongoing assessment that really provides teachers with some clear, structured ways that kids need to improve. And then it sort of leads into the differentiation of instruction . . . And it needs to be a [district]-wide system, so we can compare and have at the top level, from superintendent down, discussions around where students are on the same measures. Then . . . we need a focus on what sorts of curriculums are going to be expected; what sorts of teaching practices are going to be required.

Thus, respondents at both levels stressed that some standardization at the district level is needed.

Other administrators would like improved financial mechanisms. When asked what they would most like to change about the existing system, many of our interviewees concentrated on financing mechanisms. Interviewees indicated that they would like the following:

- A clear and up-to-date definition of “basic education” and its constituent parts.
- A larger reserve fund to accommodate cash flow needs. Currently, at least one district must transfer funds and “borrow from itself” to cover expenses, and this creates “an accounting nightmare.”
- A more predictable budget. Both principals and district officials noted that their long-term planning is impeded by a lack of information regarding the future amounts and sources of their funding.
- More flexible financial resources. Two district officials complained that they had to hire special staff just to administer grants, and several others noted that their ability to use money wisely was constrained under existing district mandates. One superintendent would like to do away with staff allocation formulas, and a finance officer wants more flexibility to be paired with more accountability. A vivid picture of how funding rules constrain efficient resource use was painted by a principal:

Special ed, if the government would just give me all the money and let me figure it out—but the paperwork, the meetings, the restrictions on what we can do. And my experience has been, with special ed, that they’re the least effective teachers with the least knowledge and skills . . . taking huge amounts of time [and] resources away from the system. When I first began . . . I had the second largest middle school in the state, and well over 50 percent of my total amount of time was spent on special education students and issues. So if they would give me all the money . . . if I [were] totally freed to use those special ed teachers, then I’d be having them do a variety of things that would drastically improve lower-performing kids.

Several administrators would like to see the elimination of union contract restrictions. Several respondents in at least three districts expressed their desire to change aspects of union contracts they feel inhibit their ability to educate effectively. A human resource officer, for instance, stated that both the teachers and classified workers union contracts prevent the district from doing what is best for kids. As noted above in the section on unions, respondents detailed how union contracts constrain not only the mix of staff on their payroll, but also how they constrain the quality of the staff teaching in their schools through restrictions on hiring, firing, and deployment. As noted previously, respondents would also like to change union restrictions that limit their use of teacher time.

Administrators also desired more flexibility in meeting new standards. One of the board presidents we interviewed expressed a desire to unilaterally eliminate the requirements of NCLB. This was a minority opinion, though, as a number of respondents seemed to feel that standards were—on the whole—useful for identifying students who long had been neglected and constructing a “roadmap” for districts to follow to improvement. In addition, several respondents pointed to specific aspects of NCLB that they wish they could change. The most frequently mentioned desired change was more time to cement basic life and language skills before additional subjects are added to the curriculum. District officials in two different districts expressed the desire to have more time to teach nonnative speakers English before they must meet test standards, citing the students’ well-being, the morale of staff, and accurate assessment of school progress as reasons. One principal added that AYP poses serious challenges to schools with a constant influx of special-needs and immigrant students. Finally, a respondent in the rural district wanted to eliminate the rule requiring paraprofessionals to pass qualification tests which “really tie[s] the district’s hands.”

Concluding Thoughts on District- and School-Level Perspectives

Based on our interviews, it appears that performance pressures embedded within new accountability standards are directing practitioner attention to student performance and refocusing educators’ attention and dollars on strategies designed to help children succeed. Educators are overhauling professional development, aligning curricula with standards, and focusing on the achievement of historically neglected and disadvantaged students. However, student demographics pose formidable challenges to the mandate of *No Child Left Behind*; an increasing number of children are affected by poverty, special needs, and weak English skills, which affect their achievement. In addition, many reforms and interventions are taking place on the margins of education spending with grants or philanthropic funds, which generally represent a small and temporary portion of education spending.

Additionally, while decisionmaking and resource allocation appear to be increasingly aligned with state achievement goals, districts and schools still face many challenges in reaching standards.

- Interviewees worry about constraints associated with the amount of money in the system, restrictions on spending, and the provisions of state accountability.
- Many respondents referenced the significant constraints arising from unions and collective bargaining contracts on basic functions such as the hiring and placement of quality staff, dismissals of inadequate staff, and districts’ abilities to adopt the performance-improvement and time-reorganization strategies they believe would improve student performance.
- Finally, respondents appear to lack a sophisticated understanding of the concept of “effective resource use.” This limits the nature of improvements they are making to the system, and an improved capacity to think of effective resource use as the optimization of all possible educational expenditures to maximize student performance for a given cost would almost certainly sharpen decisionmaking and resource allocation.

As a set, our district-level interviews suggest an additional key finding. While respondents detailed their attempts to solve individual problems, each such problem becomes more complex

when combined with others. Under-prepared students may benefit from programs designed to deliver extra hours of instruction, for instance, but this solution will be more difficult to implement in an environment in which the influx of such children is growing and unpredictable or where the teachers may not have the skills or knowledge to provide adequate instruction. The challenges educators face in meeting standards may span several aspects of the system, and effective solutions are likely to require a broad field of vision.

Having discussed the findings of the district-level interviews in this section, we now turn to the state-level interviews in Washington.

State Perspectives on Washington’s School Finance System

In addition to interviewing district- and school-level leaders, we interviewed state-level officials to obtain their views on the issues and concerns influencing state school finance policymaking in Washington and to gain insight into how pressures to improve student performance and other factors might be affecting their finance decisions. In response to our questions, state-level officials discussed the politics surrounding student performance and the WASL; the prospects for the governor’s Washington Learns Commission to drive system change, the related topics of equity, adequacy, and efficiency; and the influence of state-level factors on resource deployment including union collective bargaining and the tension created by the intersection of state regulation and local control.

Accountability Concerns in Washington

At the time of our interviews, the requirement that high school students pass the math and reading portions of the 10th grade WASL was a point of concern for state policymakers given the low passing rates for math. Interviewees indicated that the legislature needed to address this issue by delaying the requirements, making it easier to pass the tests, and/or initiating appropriate remediation strategies (early childhood education, longer school day and year, and targeted tutoring) such that all children have the opportunities necessary to prepare for the test.

Interviewees also pointed to potential weaknesses at the intersection of the accountability and finance systems—including the potential for actors to escape responsibility, the potential for perverse incentives, and the need for a definition of basic education—all of which limit the potential for significant improvements in student performance.

Pressure to Reconsider the Graduation Requirement and Need for Remediation Strategies

As noted previously, at the time of our interviews, Washington had attached high-stakes to its state test, the WASL. The state required that the graduating class of 2008 pass the WASL 10th grade reading, writing, and mathematics assessments in order to receive a diploma (with a requirement for passing the science assessment to be initiated in 2010). Passing rates varied by district, school, and individual student demographic, but on average only 44 percent of students passed the math portion of the WASL in the 2003-2004 school year. Echoing the thoughts of local educators, state officials acknowledged the difficulty associated with getting all students to standard, especially with students entering the system unprepared, either as kindergarteners or as immigrants from other countries. Several respondents also echoed the sentiment that we heard in

district interviews that the WASL was intended to be a measure of the performance of the system, not a high-stakes graduation requirement, as one described:

R: For the longest time [a state official] talked about that the WASL was simply a dipstick to assess the health of the system. Well, that's fine as far as it goes, except when . . . the legislature created the accountability system and they wrapped it completely around WASL scores, they made the dipstick into a rear axle. And, and in my mind it's only a matter of time before the weight of that burden is going to . . .

I: Breaks the axle.

R: Yeah . . . because a dipstick was made for a different purpose.

I: So now you've got all the weight of accountability falling on the kids.

R: Yeah. When it was supposed to be about the system.

Despite these comments, only one of the officials we interviewed indicated that the graduation requirement should be discontinued (this respondent favored the use of end of course exams instead), although another respondent (a state legislator) noted that the WASL is poorly constructed and that his constituents do not support it. However, many of the state officials we talked to expressed the opinion that the legislature had to address the WASL issue or be “unelected.” Options for addressing the issue included delaying the graduation requirement for the WASL mathematics assessment,³⁸ making it easier to pass, or initiating “a responsible effort to help kids meet that challenge.”

State officials described several potential measures to help students meet the challenge, including improving early childhood education, extending the school day and year, and providing targeted remediation to students who fail. Several interviewees indicated that Washington needs to improve its provision of early education and that the governor and Washington Learns Commission are committed to looking at this issue. Based on our interviews, the need to provide resources for adequate remediation appears to have the backing of the Washington Learns Commission and the superintendent of public instruction. But one respondent noted that remediation was more than just taking a course over: it is identifying deficits with a high quality diagnostic tool, which he indicated the state lacks, and helping teachers understand which of the 52 essential learnings³⁹ are included in the state tests. Another interviewee claimed that if the graduation requirement stayed in place, the state then must fund both remediation and test retakes and should provide one alternative to the WASL assessments. Yet another noted that Washington needed an entrance program for students new to the country and a program to engage tribal populations. He also proposed student incentives such as providing two years community college tuition waiver for students passing the WASL the first time or giving awards to exceptional teachers. A state legislator expressed the hope that the demands of the accountability system and the WASL graduation requirement would get everyone “on the same page” to support needed changes.

³⁸ In fact, in 2007, the graduation requirement for both the mathematics and science assessments were pushed back to no later than 2013.

³⁹ For a discussion of Washington’s Essential Academic Learning Requirements (EALRs,) see the Education Reform section of appendix B, beginning on pg. 131.

A few respondents noted that the problem may not be as dire as it seems, hypothesizing that test scores may increase “just when it really matters.” One went on to note that in 2005 there were 8,000 retakes of various WASL subjects, and 60 percent of these retakes resulted in passing scores.

Other Views on Accountability and Finance

While our interviews indicate that state officials are focused on the WASL graduation requirement and associated remediation needs, some officials are also thinking about other aspects of the accountability system that encompass the finance system. One state finance official noted that the state’s accountability system and the WASL tests have pushed change in resource decisions, causing districts to align curricula with standards, assess students and use these assessments to target resources to those who are failing, and deploy professional development resources more purposely. She also noted that the state and Educational Service Districts are attempting to offer more purposeful professional development to districts.

However, other respondents pointed out weaknesses at the intersection of the accountability and finance systems.⁴⁰ According to interviewees, the finance system is “needlessly complicated” and too difficult to explain to a lay audience. This complexity allows individual actors to escape accountability and responsibility, and the resulting lack of transparency perpetuates community distrust in the system spending money well. One legislative staffer indicated that districts are blaming the state for kids failing the WASL, claiming that they need more resources. And a legislator concurred, noting that the state needs to create a level of simplicity in the system so that it is impossible to evade ownership. Another respondent noted that the state accountability system was being driven by “fear and pain not initiative and investment,” with the resulting incentive to sandbag the system. And a state union representative indicated that the WASL was “poisoning the atmosphere in schools,” because the accountability system is dominated by comparison across schools and districts and these comparisons do not acknowledge the challenges in different locations. Finally, one official noted that the Basic Education Act requires that “when kids graduate they will be equipped . . . to become responsible citizens . . . [be] contributing members of the community, and be economically viable both for themselves and their family and community.” However, in Washington’s accountability system, there is no definition of these terms, no associated measures, and no incentives or sanctions associated with instilling students with these attributes.

The above sections described policymaker concerns regarding the state’s accountability system. The next section discusses the politics associated with the topics of the equity, adequacy, and efficiency of the education finance system.

Politics of Equity, Adequacy, and Efficiency

Our interviews also coincided with the work and deliberations of the Washington Learns Commission, which had been charged with evaluating the P-16 education system in Washington. As indicated below, Washington Learns was viewed as a potential impetus for large-scale K-12 finance system change with its charge to evaluate all aspects of the current finance system

⁴⁰ It should be noted that one finance official disagreed with these complaints about the accountability system. He noted that the state funds districts, that decisions that affect student performance are made at the local level, and that districts are then held accountable.

including equity, adequacy, and efficiency/alignment with system student performance goals. Unfortunately, as is detailed in appendix B, at best, such change is still a future prospect, at worst, the occasion to improve educational opportunities for Washington's children through such change has been lost.

While state policymakers feel that Washington's education finance system is fairly equitable compared to other states, they did highlight the inequity in educational opportunity created by variations in both local communities' abilities to pass levies and the higher levy and salary lids present in some communities. Interviewees' views on the adequacy of Washington's education funding varied: some indicated that funding is adequate to get all students to standard, some that it is inadequate for this task, and some did not know. Our interviews also indicate that state policymakers question the efficacy and political feasibility of spending additional money within the current education finance system.

Lastly, while state officials acknowledged that efficiency of education is a salient issue (given the current student performance demands and limited funding both in general and for education specifically) they also indicated that they do not know how to measure, identify, and achieve efficient resource use in the educational arena.

Potential for System Change and Washington Learns

When asked about the likelihood of the Washington Learns Commission producing large-scale improvements in the state's education system, many respondents expressed concerns regarding both the short time frame and the scope of the commission's charge. They noted that it had taken some time for the group to create a culture, begin to work together, and be schooled on the basics of education finance. They also noted that the consultant hired to conduct an adequacy study was also tasked with a difficult job, especially given the limits of Washington State finance data,⁴¹ of providing the state with a way to evaluate efficiency in K-12 education resource use. In general, some state officials were very positive about the potential outcomes of Washington Learns, while others were decidedly less so.

On the positive side, several interviewees hoped for major changes to the finance system, adding that the political climate and timing may be right to gain bipartisan support for system reform, especially given the governor's support. However, many respondents claimed that the window for this to happen was small and likely to be preempted by the upcoming election cycle and an impending finance lawsuit. Some noted that the "finance geeks" and policymakers were finally sitting down at the same table to discuss issues, which, while difficult at times, could prove fruitful, and that the special interests were relegated to a listening role. One state finance official indicated that, while the allocation system needs some attention, she hoped that Washington Learns would be able to review the system from the bottom up, fixing structural problems but also addressing big picture issues. In addition, our interviews indicate that the governor had charged the commission with thinking "boldly" and "outside the box," considering how the system would look if designed from scratch, and thinking about the future, indicating that "nothing [was] off the table." And one house staffer used the word "remarkable" to describe the fact that state officials are talking about education finance and commissioning an adequacy

⁴¹ According to our interviews, Washington State reporting categories are fairly broad and do not extend to the school level. Therefore, from the state data, you might determine how much money was spent on PD in a district, but you would not know what the PD entailed or how much was spent at each school.

study because these officials are normally afraid that such actions will precipitate a lawsuit. She went on to note that while the outcome might not constitute “revolutionary” change, it might result in changes beyond just how the state distributes money, to what is bought with it. And a state union representative noted that the Washington Learns-commissioned study on adequacy could give the legislature a nudge to act because of the state constitution’s “paramount duty” clause⁴².

Other respondents were more pessimistic. One house staffer noted that politicians work on short time horizons, which is not conducive to “big picture” changes. Indeed, several individuals noted the difficulties posed by the 18-month limit on the Washington Learns Commission’s work, which is compounded by the need to get this large and diverse group (business people, policymakers, finance “geeks”) to work together on such a complicated and politically charged issue as education funding. This same staffer noted that Republicans were being confrontational, taking the minority position to heart. Other interviewees noted that Republicans and Democrats were still on very different pages relative to the need for more money, the need to search for efficiencies, and the influence of collective bargaining on resource use (e.g., Democrats would say collective bargaining provisions do not prevent good administrators from dismissing low-quality teachers, while Republicans would say that they do). Another respondent noted that there was tension between some members of the committees: outsiders want big changes while insiders wanted to “tone down that final report.” She also expressed the opinion that the steering committee’s goals would probably be too general to really guide the advisory committee’s development of the details and noted that the interim report did not contain any big system changes because the Washington Learns staff did not know how to take the committees “out of the box.” Another respondent indicated that some are skeptical about the advisory committee because it is comprised of outsiders. A legislator felt that the work of the commission would be fruitless:

At this point in time, my gut instincts are telling me this will be a grand exercise but not really make very many changes because I think some of the key players, they are so used to a way of doing business, they don’t know how to get out of the forest.

He further expressed concerns about partisan politics, claiming that Republicans would not support Washington Learns recommendations, claiming too much emphasis on increasing funding and not enough attention to improving efficiency. This same individual claimed that Washington Learns is so involved in the details that they could not see the context and how all the pieces fit together: “They know how to operate at 500 feet, but they don’t know how to operate at 10,000 feet.” Another legislator noted that Washington Learns’s impact will be limited in that it “will come out with a proposal . . . that we will have to sell as a political document;” in other words, the technical will be subservient to the political. Finally, a legislator noted that Washington Learns must engage in quality discussion or waste a good opportunity:

If we come up with a long list of minutiae or something that nobody is prepared to [implement] . . . then you’ll have a lot of good research, a lot of good effort, and it won’t go anywhere and . . . nothing will happen. And legislators won’t be able to get their heads around it.

⁴² See appendix B, pg. 114 for more information on Washington’s constitutional duty.

If it's about breaking glass where you have an honest discussion about the problem and prioritizing components within that discussion and valuing difference . . . then you can have a really robust discussion, if not debate about what should be done and why. If it's about the process of meeting the requirements of the legislation . . . (you have to do that), but if that becomes the only outcome, you missed the opportunity for a real discussion . . . The governor has the bully pulpit to lay out a statement. Do we as a culture, as a society, as a State of Washington value education for our children's future—for their future welfare to the extent we are willing to make sacrifices?

In the enabling legislation (SB 5441), Washington Learns was charged with overseeing the development of a comprehensive K-12 finance study that includes an evaluation of “potential changes to the current finance system including the methods of allocating funds, levels of funding, and how student achievement is affected” and “assuring program accountability; improving effectiveness in state-level governance; identifying inefficiencies in district spending practices.” Accordingly, the issues of equity, adequacy, and efficiency/alignment of state finance with a performance-based system were prominent in our discussions with state policymakers.

Equity of the Education Finance System

While not specifically asked about equity, several respondents (from legislative staffers to legislators to finance officials) noted that Washington's education finance system is fairly equitable. However, they did note the following apparent equity issues:

- Small and rural schools receive significantly higher levels of per-pupil funding than other schools.
- Wealthy areas are constrained in revenue-raising ability so they cannot compete for workers in the same way that wealthy districts in other states can. As one respondent noted, “We fixed the problem for poor districts at the expense of rich districts.”
- Some inequity remains in the ability of local communities to support levies and also around districts that have been grandfathered in with higher levy and salary lids.
- Because so much funding is provided by the state (with associated spending constraints), Washington's finance system provides less flexibility to local actors than those in other states with a higher proportion of local funds.

Our interviews also appear to indicate that both Republicans and Democrats in the state support equity—although some policymakers may have a hard time seeing equity as providing more resources to needy students. Where they disagree is on the topic of adequacy.

Adequacy of K-12 Funding and Potential for Spending Increases

With the exception of the state union representative and a state finance official, none of our interviewees stated conclusively that Washington's education finance system is inadequate. However, a few respondents indicated that they did not know if the system is inadequate, one legislator noted that state funding is unstable (and therefore inadequate in that sense), a finance officer noted that if Washington was adequately funding education it would be a “coincidence” since no adequacy studies had been performed, and one legislative staffer felt the adequacy study

commissioned by Washington Learns would indicate that more money is needed. According to our interviews, policymakers in the past have avoided commissioning adequacy studies because of concerns that such studies, in conjunction with the “paramount duty” clause of the state constitution, would lead to lawsuits and court actions mandating increased spending. Such mandates would be contentious in Washington because the antitax sentiment in the state would make raising revenue for such spending increases difficult. In addition, interviewees noted that while the constitution may mandate that education be supported above all other state duties, in the budgeting process the amount of education funding is influenced by rising and declining revenues and other budgetary priorities/needs, such as health care funding.

However, one legislator indicated that evaluating the current system for adequacy is the wrong place to start, instead claiming that first the state needs to clearly define *basic education* and develop a “social contract” with citizens in the state. This social contract must address the variety of ambitions (college preparation, job readiness, civil participation) present in the state’s citizenry and must move beyond politics to a unified vision of what a public education in Washington entails. He also stated that policymakers then need to determine how to fund those goals.

In addition to not knowing if system funding is adequate, some interviewees also question the efficacy of pumping more money into the system. One respondent noted that while local educators desire more money, they do not necessarily articulate how they would target those new resources to improve performance. Another interviewee described how some states put extra money into the system and then expect miracles, going on to explain why improved outcomes are elusive:

The K-12 system is like a tanker . . . you’re not going to do anything fast with a tanker . . . You’re dealing with so many people and so many ingrained methods, procedures, contracts. [Everything] gets in the way, including the state big time . . . there are a lot of constraints that have been imposed on school districts. And not only does the state tie their hands, then, through their collective bargaining agreements, they proceed to tie their own hands as well.

Another legislator proposed that schools are the organizing principle in most communities, and people do not like such entities to change. And one legislator thought that other attributes of the system are more important than money, such as having local educators committed to doing the job. He claimed that many things that successful schools and districts do, such as providing individual attention to students and their parents, do not cost money.

As noted above, one finance official and a union representative feel that the system is underfunded. According to the finance official, she knows that the system is underfunded but does not know by how much. She continued that the system is underfunded both for specific components of the formula (specifically mentioning that educator salaries may be inadequate) and also in the big picture view. A legislator, who did not specifically state that the system is underfunded, agreed with this position on salaries, stating that Washington is not spending enough money to attract good teachers.⁴³ The union representative had many comments on the inadequacy of the education finance system in Washington. He claimed that student performance

⁴³ In addition, a representative from the governor’s office noted that if major changes are mandated by the state (e.g., new accounting measures, new curricula models), then new resources may be necessary to explain to educators why such changes are necessary and to provide educators support in implementing the changes.

isn't getting better because the system is underfunded, citing poor facilities and large class sizes as factors. He felt that the state knows what the best programs are, but they use the cheapest. He described how teachers view the issue, recalling an incident from his teaching experience:

The principal wanted us to post our objectives on the window to our classroom . . . so that she could walk by and see what was going on, and ostensibly she could then help us . . . would give hints or something is what she said. And I thought, "If you want to help me, we could talk about reducing class size or fixing the damn leak." But it really reminded me . . . of that that '60s sitcom Green Acres where the premise of it was, "Your sanity doesn't do you any good if you're the only one who's sane." And that's what it feels like for teachers who are listening to this debate by people who couldn't last a minute in a classroom talk about how we should be doing things more efficiently and we need performance incentives for teachers and market-based approaches and charter schools and this nonsense when the very basics aren't there for so many students.

He noted that his members consider issues like "wringing out efficiencies" and modifying the salary schedule as "tangential" to the main issue of adequacy. And he echoed local educators' comments that the state has never entered into a discussion about adequacy (i.e., what should we expect to spend to reach standards) because people don't want to see the price tag.

Some state officials indicated that local constituencies would not support increased taxes for education. The legislator who stressed the need for a definition of a basic education (or a "social contract") attributed this lack of support to different citizen perceptions of adequate educational outcomes. He feels this is a regional (presumably rural versus urban issue), not a Republican versus Democrat issue. Another legislator feels that it would continue to get harder to convince people that further investments in education would pay off given the additional costs associated with achieving state-mandated outcomes for at-risk kids. According to one finance official, citizens support education through levies and donations, but they do not necessarily support general tax increases. Another legislator noted that Washington citizens do not trust the state to spend money wisely and in a transparent way. Similarly, a state union representative noted that while people want to support their schools, in Washington the discussion must be at the state level, and people distrust the state.⁴⁴

In a similar vein, some respondents indicated that the legislature would not support spending increases. A finance official doubted that the legislature would "step up" because the price tag associated with just moving state spending up to the average is substantial. He felt that the only way to resolve the problem is through a court order, with the caveat that those do not always produce the desired results either. He blames the failure to make improvements to K-12 education on a lack of leadership in the state legislature, which has not recognized the state of crisis yet.⁴⁵ Similarly, another legislator noted that while only 20 percent of kids in Washington graduate from college (he believes this number should be 70 percent), there is a disjuncture between legislators involved in the "new economy" and those involved in the natural resources-driven economy: the former want to spend more money on education to raise this percentage, the

⁴⁴ Accordingly, he expressed the opinion that changes, such as using incentives, should be negotiated at the local level in order to get local buy in.

⁴⁵ He concludes that they will notice it when one or more of the following happen: there is a lawsuit, many students fail to receive a diploma because of the WASL graduation requirements, levies start to fail, a lot of legislators lose their seats over education issues, or kids leave public education for private schools in large numbers.

latter do not. Finally, the union official claimed that the legislature worries that if they raise general taxes it will hurt the economy.

In 2004, the Washington Education Association (WEA) filed an adequacy lawsuit against the state. The judge stayed the case, pending the outcome of the Washington Learns Commission.⁴⁶ As alluded to above, our interviews indicate that the pending lawsuit could be a vehicle for change, either as a point of pressure for Washington Learns or the legislature. One staffer felt that some legislators want to be sued because that is how they see change happening. And a legislator claimed that change would come with a lawsuit. However, another legislative staffer indicated that the lawsuit may push Washington Learns to narrow its agenda and search for simplistic changes such as the 65 Percent Solution,⁴⁷ which Republicans like because “it’s a way for them to say we’re dealing with the adequacy of classroom resources without having to put more money in.” This same person noted that while the state policymakers may not think that additional resources will improve performance, the pending lawsuit may scare the legislature into increasing spending some to demonstrate an effort to meet their demands. Meanwhile, the Washington Education Association is in the process of conducting a campaign to convince Washington residents to push for more spending on K-12 education because they feel a court case would take too long.

The Search for Efficiency

Given Governor Gregoire’s statement upon creation of the Washington Learns Commission, it is no surprise that the search for efficiency was a common theme in our interviews (Gregoire 2005):

First, we’re going to find out if we are using the money we have for education efficiently. Next, we’ll define the quality we want in our education system. And then we will look at what funding is necessary to achieve the quality we all want.

Our interviews indicate that policymakers, including the governor, the Republican caucus, and the newly convened board of education with gubernatorial appointees aligned with the business roundtable, want to know that spending additional money will result in improved student outcomes. A representative from the governor’s office indicated that some policymakers and stakeholders concentrate only on adequacy, neglecting aspects of education spending associated with efficiency and effectiveness. State officials indicate that efficiency and effectiveness are important issues because of the new demands placed on the system (i.e., the new economy demands more college graduates and a higher level of proficiency overall, and state and federal accountability systems require high performance for all students). In other words, in order to

⁴⁶ For a detailed description of this, and other recent lawsuits relating to education finance, see *District Alliance Mounts New Challenges to State Funding System*, appendix B, beginning on pg. 129.

⁴⁷ The 65 Percent Solution refers to legislation, adopted in many states and proposed in others, that requires districts to spend at least 65 percent of their budget on “classroom instruction.” Proponents argue that the 65 Percent Solution increases spending within the classroom without increasing taxes, reduces spending on administrative costs by making districts accountable for their spending, and improves student performance by focusing attention on the classroom. A 2005 report issued by Standard & Poor’s, however, criticizes the solution for being input-driven rather than focused on improving outcomes. The report finds that higher spending on classroom instruction is not necessarily linked to improved performance in states that have implemented the solution, arguing that the specific expenditures districts use are more critical to improving performance than a fixed percentage allocated toward the classroom. They do note, however, that monitoring the percentage of spending allocated to the classroom may be a useful endeavor toward the goal of assessing return on investment (Standard & Poor’s 2005).

accomplish our performance goals, we need to get more “bang for the buck.” To that end, the consultants hired by Washington Learns to evaluate the adequacy of the state’s education finance system were also charged with developing a method to determine efficiencies/effective practices in the system and, as a legislative staffer noted, determine “what works.” According to our interviews, these consultants are planning to look for efficiencies in districts that implement best practices.

Unfortunately, while they acknowledge that efficiency and effectiveness are salient issues in Washington, like the district-level respondents, our state-level interviewees also indicated that they do not know how to measure, identify, and achieve effective resource use and they are skeptical that the Washington Learns Commission and their consultant will adequately address this issue.⁴⁸ Officials cannot stipulate what local educators should do because they do not know what works in every situation; at the same time, the governor acknowledges that state regulations may be tying the hands of locals with regard to innovating to obtain better student performance.⁴⁹ The only respondent who feels confident that educators know how to use money effectively is the union representative:^{50,51}

You’re in a school where you had a highly effective program, Reading Recovery, and it just was an outstanding way to make sure kids who were struggling early could overcome the difficulties they were having and succeed. And it was extremely expensive, and we were just always sitting there thinking, “Which kid gets the program, and which one doesn’t” . . . The effective programs that I’ve seen haven’t been ones you can run on the cheap. Look at the class size studies. I know that they had difficulty in California when they tried to just instantly say they were going to reduce class size, but in Tennessee where they followed kids that they had . . . one teacher and 17 students, and then what effect that had on them throughout their academic career, they just had the small classes for the first three years, and they tracked their progress in later grades and now are following them as adults and college students and are looking at how much more they earn, what they bring into the economy. It’s very effective to reduce class sizes. And it’s also very expensive.

Having discussed policymaker views on the politics of equity, adequacy, and efficiency in the previous sections, we now turn to the factors that state policymakers identify as influencing resource use in support of student performance.

⁴⁸ See appendix B, beginning on pg. 133, for a discussion of the outcomes of the Washington Learns Commission.

⁴⁹ However, a state finance officer indicated that the state has tried to show districts how to spend money wisely in a few spending areas, issuing guidance with regard to providing student transportation, operating buildings, and using research proven practices. He also indicated that the state has evaluated commercial curriculum products compared to state standards.

⁵⁰ It should be noted that this characterization of effective programs could be debated and, while class size reduction is effective for some students in some contexts, it may not represent the most efficient use of resources in all contexts.

⁵¹ The union representative also expressed the opinion that it was “mean” to look at one high-performing, high-needs school and then tell teachers in other high-needs schools to just work harder and believe in the kids. He claimed that sometimes these comparisons are not valid, as high-performing schools may suffer from teacher burnout or even fake their scores.

Factors Influencing the Deployment of Resources to Support Student Performance

State officials described several factors that influence the allocation and use of resources to support student performance including:

- a lack of alignment between the finance system and student performance demands;
- the difficult balancing act between the proper amount of state regulation and local control; and
- the constraining influence of collective bargaining.

Our interviews indicate that policymakers consider alignment of the state finance system and other regulations with student performance expectations an important step to improving educational outcomes. In this vein, many expressed the desire for a teacher compensation system tied to student performance or to the difficulty of the teaching assignment. Respondents also indicated what would be beneficial to improvement efforts: better data and data systems on “what works” to improve student performance and new funding formulas that align with the new student performance demands.

In their deliberations, policymakers must balance the state’s “paramount duty” to provide educational opportunity with the desire for, advantages of, and historical precedent associated with local control. This tension is evident in our interviews. For example, respondents discussed the potential student performance benefits associated with granting local districts more flexibility (i.e., reducing state finance restrictions) while also noting the importance of local capacity and state oversight to the success of such reforms. As another example, state-level officials mentioned the idea of standardizing curricula, while also expressing concerns about the state’s over-prescribing.

Although major changes to union-related policies are not high on state policymakers’ agenda, they agreed with local leaders that union collective bargaining has an important impact on the politics of education finance—noting recent union obstruction of state-level proposals to (1) implement data systems tying student performance to teachers, (2) adopt salary schedule modifications to incorporate performance or working conditions, and (3) move some elements of collective bargaining to the state level.

Lack of Alignment Between Finance System and Performance Demands

While unable to define specifically how they would evaluate efficiency/effectiveness, our interviews indicate that policymakers consider alignment of the state finance system and other regulations with performance expectations an important step to improving educational outcomes. The officials we spoke with provided examples both of ways they had or were seeking to improve efficiency/effectiveness and also of inefficiencies they would like to address. They also indicated how a lack of data and information prevents them from improving the efficiency and effectiveness of instruction in the state and what data they perceive would help.

Many state officials desire performance-based teacher compensation. The Washington Learns enabling legislation calls for an evaluation of “potential changes to the current salary system that would be more closely related to professional development and enhancement of student performance,” and our interviews indicated that this issue was on policymakers’ minds. A legislative staffer indicated that both former Governor Locke and current Governor Gregoire

have expressed an interest in letting districts experiment with the state salary structure. She noted that the only way districts can currently experiment with state funds is through TRI, which she adds looks a lot like traditional salary. This same staffer noted that she would like to see the salary schedule modified to allow for compensation experimentation. A representative from the governor's office confirmed that the governor would like to tie salary to performance or teaching in difficult schools. Another official would like to see a new salary schedule with steps based on professional growth plans, which would provide pay for performance without the connotations of merit pay. A state legislator proposed, "Investing money in changing the incentive system for teachers, principals, and districts so that they are both individually focused and focused as a team on meeting achievable goals . . . I think a combination of that would work." He continued that Washington needs to spend more money to attract good teachers to the state. As a practical consideration, another state legislator pointed out that if policymakers want people to support pay for good teaching, then we need to be able to clearly identify good teaching, not depend on a 100-page bureaucratic document. A finance officer noted that the current salary schedule is useful⁵² and that we should build upon it to support activities like NBPTS certification,⁵³ mentor teachers, and pay for performance (although he also noted that base salaries may be inadequate). Finally, a legislator noted that an incentive system is needed because changing educators' belief systems is difficult but necessary to achieve performance goals.

Not unexpectedly, the state union representative indicated that his membership did not support salary schedule changes that involve pay for performance. As noted previously, he feels that his members consider salary incentives as "tangential" to the main issue of adequacy and went on to call incentives "structural gimmickry." He proposed that if teachers were paid adequately, then the state could talk about incentives.

State officials feel that a lack of data on "what works" limits progress. In addition to calls for a new compensation system, many interviewees also indicated a need for better data on "what works" to facilitate resource allocation that supports student learning. Several respondents indicated that better data on spending and student performance are needed to assist educators and state policymakers in determining what programs work for what students and at what costs. As a legislative staffer indicated, policymakers do not know how money is spent at the school level to improve student performance:

So you can tell that . . . this school that's being affected, they've spent more on professional development. But you don't know what kind of professional development. Are they just paying more to their teachers for grading papers, and they've just attracted more experienced, more highly qualified teachers because they pay more, or are they using their professional development to have day-long training on understanding how to diagnose reading issues or something? So we know in some ways in big broad categories how they're spending the money, but

⁵² This respondent also feels that many of Washington's funding formulas are neutral with regard to student performance, but he claimed that the state's reimbursement for the actual education and experience level of teachers is beneficial to student performance because districts do not have to hire less experienced teachers (for state funded positions, that is) to stay within their budget. However, it should be noted that this policy could also create inequities if high-performing or wealthy districts are better able to attract more experienced teachers.

⁵³ A state legislator also noted that he supports paying bonuses for NBPTS certification. He indicated that the data show that they perform better than other teachers and that, while the research is unclear why they perform better, he is interested in good teachers, regardless of the reason for their proficiency.

it really doesn't tell you exactly what they're doing.

One respondent noted that a recommendation for a data system that links students with teachers and outcomes would have the backing of the state board, the professional educators board, and the Republican caucus. A legislative staffer indicated that policymakers would like to know the costs and likely performance gains for various alternative programs so they could make “bang for the buck” comparisons. A legislator echoed this desire for instances where resources improved performance as he wondered whether the state’s TRI program is really leading to improvements or if it is just a way to supplement teacher pay. In addition, interviewees noted that such data is needed to facilitate evaluation of curriculum, educational practices and programs, and teacher preparation programs and provide justification for ending or changing ineffective programs, whether they be state-level programs in certain districts with “a legislator’s name attached to them” or local politically-popular programs supported by either educators or parents (such as class size reduction). Others noted that such data is needed to convince Washington citizens that education dollars are being spent wisely and that they should support increases in education spending.

However, some interviewees questioned the ability to develop data that truly identifies effective/efficient practices and programs. The same staffer quoted above regarding the lack of specific spending data noted that it may be impossible to use a database to determine how schools are using resources and the associated efficiency/effectiveness of such resource use, suggesting that identification of effective practices and programs might require personal visits to schools to truly capture the educational activities in context. And a state finance officer noted that even school-level data do not provide information on how to effectively use resources because that requires qualitative data. He provided the example of school-level data indicating that a building purchased \$200 in textbooks. That data alone tell us nothing about the quality of the textbooks; for instance, whether they are aligned with state standards and with student deficiencies. The state could collect this information, but it would be time-consuming and, as far as teacher quality is concerned, such quality information would be extremely hard to capture. This respondent expressed the opinion that such data collection would constitute micromanaging given the accountability systems currently in place.

In addition to collecting better data, our interviews indicate that the state may need a better system for disseminating effectiveness/efficiency data. A legislator noted that the state talks to successful districts and that “these stories are getting out,” but he did not specifically indicate a state system that facilitates this dissemination. According to a representative from the governor’s office, the state currently shares info on “what works” during day sessions, but only some educators can attend, so the distribution of information is not very structured. She indicated that the state is investigating using the Internet to improve dissemination of promising practices and programs. Finally, a legislator noted that when districts are struggling, the state needs to be able to provide those districts with tools, model behaviors, and examples of the practices seen in high-performing districts.

State officials think the state funding formulas are outdated and not strategic. Our interviews indicate that accountability pressures have changed how policymakers think about education finance (i.e., accountability has forced policymakers to think about how to bring all

students to standard and how resources can support that endeavor), but, with a few exceptions,⁵⁴ substantial changes to align the finance system and other state regulations with a performance-based model have not occurred. One finance officer described the Washington finance system as a “quilt” because it is a collection of activities that has been added onto over time rather than a coherent structure built from scratch.

While our interviews indicate that few significant changes to the finance system have been implemented, policymakers are thinking about new finance structures that are more aligned with performance expectations. First, several respondents mentioned that Washington’s funding of student “seat time” (i.e., funding teachers for a particular number of days/hours of instruction for each student in a school year) is inconsistent with performance demands as some students may require more hours of instruction than others. Interviewees provided a number of alternatives to this allocation method. One official proposed a system where students graduated when they demonstrated proficiency, not based on a number of instructional hours. Under his proposal, the state would provide funding to schools based on attendance early in the school year, and, if certain students graduated early, districts would be held harmless, allowing them to target the funds they would have spent on the graduating students on more needy students. This interviewee noted that finance officers, who are trained to think a certain way, have a hard time with such proposals, wondering, “Why are we funding ghost kids.” A legislator proposed that the state fund students for 180 days, and let the districts figure out how to expend these resources in a way that is most beneficial within their context (i.e., more professional development, longer school year, smaller class sizes). And a finance officer noted that funding summer school for students who do not pass state tests would be a way of funding performance rather than seat time. Similarly, a legislator indicated that long-term the state must think comprehensively about students’ opportunities to learn, abandoning the equal time concept and funding more seat time (longer school years) for at-risk students.

Other potential inefficiencies noted include the state salary reimbursement policy, the grandfathered salary and levy lids, and categorical program rules. While one finance officer expressed the opinion that the current basic education funding formula is “a very solid mechanism” for driving resources to schools, he questioned the state’s practice of reimbursing districts for the actual salaries of staff based on the salary schedule, noting “I’m not convinced that a senior teacher with a Ph.D. is always twice as good as a brand-new teacher.” One legislative staffer remarked upon the grandfathering of higher salary and levy lids in certain districts and questioned whether such policies are consistent with the expectation that all districts perform at high levels. Three interviewees commented on the state’s categorical programs, claiming they are not aligned with a performance-based and need-based system and that they are not well-coordinated (i.e., resources are managed and allocated without coordination among the programs), creating silos and “fiefdoms.”

In addition to identifying problems with the current funding architecture, some study participants indicated the types of spending that they see as being most aligned with a

⁵⁴ One exception to this lack of alignment involves the Learning Assistance Program (LAP), which was designed to promote the use of data when developing and implementing programs to assist underachieving students. Prior to the 2004-2005 school year, LAP allocations were based on eligibility for free/reduced-price lunch and student test scores, resulting in decreased funding as test scores increased. Policymakers realized that such funding continued to reward failure instead of performance. The allocation is now based solely on the number of free/reduced-price lunch students.

performance-based system. A legislator felt that the state should target additional resources to struggling elementary schools. Another legislator expressed the desire to invest in early learning for at-risk students, curriculum and teacher training, incentive systems focused individually and collectively on performance, and extra time for at-risk students. Another legislator indicated that to create a more performance-based system, the state needed to, among other things, address the needs of English language learners. And yet another legislator indicated that, given the additional costs associated with achieving desired outcomes for at-risk students, the system needs to intervene earlier in students lives with quality early learning in an attempt to insulate students from negative home environments.

State officials feel that other finance elements are not aligned with performance demands. Respondents also identified several unrelated operational inefficiencies that they would like to see addressed:

- One legislative staffer felt that the system contained inefficiencies at the transition points (i.e., students entering kindergarten, students entering college or the workforce), a view that is consistent with the Governor’s focus on a seamless P-16 system. A legislative staffer noted that higher education, K-12, and early learning associations are myopic, claiming that “they only know about, and only care about, their little world,” and that they do not talk or work together.
- A legislator pointed to special education as an inefficiency in the current system. According to this respondent, the system does a poor job of identifying and teaching special education students. She argued that teachers need to be able to achieve results with a diverse student population.⁵⁵
- Another legislator wondered about the potential cost savings associated with combining transportation operations across districts in urban areas and sharing superintendents in small districts.
- One respondent proposed requiring five years of experience before awarding tenure instead of two in an effort to reduce the number of poor-quality teachers in the system.

Balancing Act of State Responsibility and Local Control

I think we have a difficult issue in the state that we define certain things as basic ed that the state must pay for before any light bulb goes on in any state building . . . which restrict us from being too liberal and saying, “Here’s your money; have a nice day, and you figure out how to do it” . . . So we have this balancing act.

The above statement by a state finance officer captures the tension in Washington between state regulation and local control. On one hand, the state’s paramount duty clause and associated court rulings require the state to fund all costs associated with a basic education, and the state accountability system stipulates a level of proficiency that districts must meet but for which the state is ultimately accountable. On the other hand, local control has always been an important aspect of the provision of public education in Washington, and local actors may be uniquely

⁵⁵ This interviewee indicated that state officials have been meeting with the heads of teacher preparation colleges on this issue.

situated to respond to the needs of their students. Accordingly, our interviews indicate that state officials are still struggling with how to achieve the correct balance of state regulation and local control. Respondents discussed potential changes in the finance system that would give local educators more flexibility in the use of resources and time. At the same time, they noted that the new accountability systems and a general decline in the influence of local control may lead to greater state involvement in curriculum and instruction.

State officials are considering a system of accountability and responsibility. Consistent with the concept of developing a performance-based accountability system, our interviews indicate that state officials are thinking about reducing state finance restrictions and requirements. One legislator indicated that she has seen instances where local control works, where the superintendent and principals are educational leaders in their community, working with the community to achieve goals. She went on to note that she is in favor of having the state establish measures and allowing local communities to figure out how to reach them. A district finance officer also noted that the state should not micromanage districts because the educators at the local level are the experts.⁵⁶

According to legislative staffers, Washington Learns included in the consultant's scope of work an evaluation of the way the state drives resources to districts, the associated spending restrictions and compliance and reporting requirements, and the question of whether more flexibility would help districts achieve performance goals. One staffer noted that she hoped Washington Learns would recommend big changes, including collapsing some programs. Given the accountability systems currently in place, she wondered whether the state should eliminate some strings on spending, such as those associated with LAP or bilingual funding. Another staffer noted that districts are happy with the state allocation formulas, but they would like more flexibility with regard to using the allocated funds. Another respondent noted that former Governor Locke proposed throwing away the common school manual and developing a set of simple regulations from scratch.

However, respondents also noted that a reduction in spending restrictions and requirements would have consequences. Our respondents claimed that not all districts have the leadership and instructional capacity to make wise spending decisions, indicating that even with the current level of regulation some districts are "just muddling along." Second, if the state allocates resources with fewer strings and reporting requirements, then it will be more difficult to assemble information to determine what works.

Based on our interviews, it appears that state policymakers are considering a system guided by the concepts of accountability, tiered responsibility, and state guidance and support. A representative from the governor's office wondered whether a "winning combination" would involve flexibility for districts or schools who achieve results and regulations for those who do not.⁵⁷ She also suggested that flexibility should be granted based on program outcomes, with more regulations for programs that do not serve children well without such oversight. She noted that such a system would also expand the state accountability system to focus on more than just students, with measures and consequences for districts and schools. Similarly, a legislator

⁵⁶ This individual also claimed that, outside of allocating resources, the state's role in district resource use is small, being limited to providing factual information. He noted that the state does not even have a role in districts that face long-term budget deficits from declining enrollments without commensurate staffing reductions.

⁵⁷ Although she also wondered whether another winning combination would involve more money and more regulation.

proposed giving autonomy to districts that perform and prescribing model behaviors and practices for those who do not. The legislator who above proposed funding schools for 180 days and letting local districts determine the best use of allocated resources, stated that within this system districts would develop a plan describing what they propose to do. If what they do works, they would continue to expend resources as they choose. If their plan does not work or they do not implement the plan, then the state would place additional constraints on them. Such a system would allow for a wide variety of resource uses, consistent with local needs. And another legislator indicated that the state's Educational Service Districts could provide struggling districts with expertise. However, not all respondents agreed with such proposals. One state legislator indicated that she does not support sanctions: the state should not take over schools or withhold money from failing schools. However, she claimed that she does support incentives for performing schools and additional resources and targeted assistance for schools that are failing.

State officials are undecided about the potential for more standardization in curriculum and instruction. State policymakers appear to be considering the development and implementation of a standardized curriculum aligned with state standards (although it is not clear whether such a curriculum would be voluntary or mandatory). A legislative staffer indicated that such considerations resulted primarily from the WASL graduation requirement and student mobility between schools and districts. A legislator noted that such a state curriculum could save money by eliminating redundant work among the curriculum directors in the state's 296 districts.

Consistent with the idea of some increased standardization, some respondents appear concerned that instead of decreasing regulations, the state might increase prescription of how resources are used:

- One interviewee noted that some people are concerned that if the state is able to determine “what works” with regard to student achievement that policymakers will prescribe too much and not attend to the social and other developmental needs of students.
- A legislator noted that the state fixed the finance system by leveling down, and he does not want to see that same thing done with curriculum (i.e., do not mandate that districts teach algebra in the 9th grade when some are already teaching it in the 8th grade).
- Another legislator wondered where the state's recent entrée into early education will lead, noting that the state's strengths of homogenization and standardization may not be what the early care and education system needs and expressing the opinion that the state should create incentives for such services but should not mandate them.
- And the finance person who proposed funding performance instead of seat time (i.e., funding summer school for kids who do not pass the WASL) noted that such an action could result in the state being much more interested in how districts are spending money because the state's costs increase when districts fail.

Finally, one state finance official feels that the state should exert more control and stop its practice of “benign neglect.” He expressed the opinion that the state needed to step in when districts fail and that additional consequences (beyond those associated with NCLB and AYP) were needed. He noted that the state could give districts some defined amount of time to achieve

results, but after that the state needed to become actively involved to ensure performance. However, based on other comments made by this individual, it appears that he questions the state's ability to perform such a role.

Despite all the comments made by our respondents regarding the tension between state responsibility and local control, one legislative staffer claimed that, in practice, most policymakers are avoiding the issue entirely.

Influence of Unions

State officials feel that unions have an important impact on both state and local education politics, but seemed to indicate that major changes to union related policies were not high on policymakers' agendas. Our interviews indicated that at the state level the union is seen as a major obstacle to change, resisting proposals to implement (1) data systems that tie student performance with individual teachers, (2) salary schedule modifications that would take student performance or working conditions into account, and (3) attempts to move some elements of contract bargaining (such as health care) from the local arena to the state arena. One staffer claimed that the WEA wields significant influence with a number of legislators and also with the superintendent of instruction. Finally, two respondents felt that unions were the "elephants in the room," and some legislative staffers felt that the Washington Learns deliberations had so far avoided the topic.

Some state policymakers expressed concerns about the vulnerability of district resources to union demands. One respondent claimed that because teachers are so underfunded, if the state provides resources without restrictions and trusts districts to spend these resources efficiently, there is extreme pressure from the unions for such funding to be consumed in the collective bargaining agreement. He went on to note that some superintendents want additional funding to contain specific stipulations to keep funds from being subject to collective bargaining. And a state finance officer added, "The legislature likes to dictate if it can, and there are those, by the way, out in K-12 everywhere that say, 'Well, we ought to dictate because if you don't dictate, then the unions will grab all the money.'"

When discussing union influences at the local level, state officials primarily discussed how and why "through their collective bargaining agreements [districts] proceed to tie their own hands." The finance officer who feels the system is underfunded claimed that districts "cave" to union demands because they are so dependent on levies that they cannot risk the disturbance caused by a strike (i.e., the disturbance of a strike could eventually result in a failed levy). One state legislator expressed the opinion that bargained agreements limit district innovation. And a finance officer claimed that such concessions have a ripple effect because when one district settles a contract with new provisions, these same provisions then are requested in collective bargaining discussions in nearby districts. On the other hand, a state legislator claimed that districts giving in to union demands can damage their image with parents:

In one of the school districts I represent . . . they bargained out meeting with parents . . . The union essentially said we don't want to meet with parents. It's too much work, it's very stressful, and so we don't want to do that anymore. So they bargained it out. And, when you hear stuff like that happening, the parents see it, everybody around the issue sees [it]—they say, "You know, that's bullshit."

Concluding Thoughts on State Perspectives

Respondents indicated that Washington's finance system allocates resources fairly equitably in comparison to other states. In addition, current spending results in comparatively strong student outcomes as measured by NAEP scores when poverty levels are factored in. However, some interviewees indicated that the percent of Washington students that obtain higher education degrees is insufficient in the new economy and that the number of students, especially minority students, failing the WASL exam is unsatisfactory. To attain higher levels of achievement, state policymakers indicated that Washington needs to better align its education finance system with its learning goals.

However, as the outcomes of Washington Learns illustrate,⁵⁸ state policymakers appear unable to implement the changes necessary to truly move to a performance-based model that aligns resources with learning goals. Our interviews indicate that this inaction, while influenced by resistance to change, partisan politics, and a lack of information, is also at least in part due to the lack of influence that students and parents have over the political process, which results in the needs and desires of other stakeholders in the system superceding those of students—whom the system is designed to serve. Students must rely on others to act as their advocates. Meanwhile, legislators have their pet issues in the forms of specific programs or regulatory restrictions that they own and protect. School boards are beholden to special interest groups (e.g., wealthy parents, unions, endorsing businesses), and superintendents, principals, and teachers are able to protect their interests through the exercise of social and political capital. The study findings indicate that students take a backseat to special interests in a complicated, inefficient, and nonstrategic system—a system that must be changed if the state is to reach its educational goals.

Conclusion

This case study was undertaken to help the School Finance Redesign Project understand:

- the formal structure and operation of the Washington state school finance system;
- the effects of heightened performance pressures on educational resource allocation processes and decisions;
- the ability of decisionmakers to deploy resources as they think appropriate; and
- the factors enabling or constraining their efforts to link resources to student performance.

The study addressed these issues by documenting the state's school finance system and key conditioning influences that have shaped it, reporting local and state officials' views on whether and how Washington's school finance policies and practices are changing in response to performance pressures, and describing the factors that enable and constrain reform efforts.

⁵⁸While providing a long list of broad recommendations, the final report did not tackle the tough issues of revising the definition of a basic education, addressing structural problems in the state finance system (i.e., equity, adequacy, efficiency, and revenue issues), and developing a system linking teacher pay to performance.

The effects of performance pressures are visible in the study districts, where officials indicated that they had “gotten the message” about the importance of raising student achievement. Administrators in these districts provided many examples of reforms and innovations they have implemented in an effort to bring all students to standard. These efforts include directing resources toward assessments, targeted and extended instruction, capacity-building for educators, and the achievement of historically neglected and disadvantaged students. Administrators discussed using data to drive decisionmaking and becoming more coherent and focused in their planning. Some also described efforts to use financial incentives to attract and retain teachers.

Reform efforts have been both enabled and constrained by various factors. Accountability pressures, good leadership, flexibility, data, supportive communities, and outside funding were reported to contribute to local officials’ abilities to pursue resource strategies aimed at improving student achievement. On the other hand, legacy policies, political pressures, teacher and union resistance, and limited skills and data were all reported to constrain these efforts. In short, we found that educators are both helped and hindered by various factors at different levels as they work toward new goals within the confines of an old system.

Many local officials argued that several factors—stagnant state funding, increasing student needs, and the costs associated with health care and building maintenance—are severely hampering their ability to respond to current challenges. Such factors result in a reliance on grant and philanthropic funding to implement improvement efforts, despite the associated restrictions and instability.

Meanwhile, our interviews as a whole indicate that Washington’s 30-year-old education finance system distributes funds rather equitably to districts by virtue of a high percentage of state funding and limits on levy revenues and teacher salaries. However, whether Washington’s finance system provides adequate resources to bring all students to the high standards established by the state and assessed in the WASL is a matter of debate. The efficiency and effectiveness of the current system are also seriously questioned. Discussions regarding adequacy take place in a politically charged arena, where views vary greatly about the importance and relevance of efficiency/effectiveness, the appropriate means of revenue generation, the economic needs of the 21st century, and the definition of a basic education.

For state policymakers at the time of our study, the key short-term finance challenge was addressing the impending WASL graduation requirement and providing resources for needed remediation services. The long-term finance challenges involved defining a basic education; determining whether the current state funding levels are adequate to bring all students to standard and, if not, how to fund and allocate necessary increases; and identifying and implementing reforms to improve system efficiency. During our interviews, the Washington Learns Commission and its consultants were attempting to tackle these issues. Unfortunately, whether because of lack of data and/or consensus on “what works,” political pressures, or other forces, Washington Learns failed to deliver on a number of its charges, including tackling the difficult issues of revising the definition of a basic education, addressing structural problems in the state finance system, and outlining a system linking teacher pay to performance.

The difficulties associated with developing a finance system that aligns resource use with learning goals are substantial, especially when that development must occur in a context of historical precedents and structures and entrenched political interests of competing stakeholder

groups. Nevertheless, the findings in this report indicate that performance pressures are pushing educators and policymakers to strive for improved student performance and implementation of reforms that would better link resources to achievement outcomes. While many of these reforms adhere to the critical components of the human competency framework that structures this report—attending to actor capacity and motivation and system supports—the extent to which these efforts have been implemented varies across the study districts. In addition, the concept of “effective resource use” as the optimization of all possible educational expenditures to maximize student performance for a given cost does not yet seem to be a strong element of the educational culture in Washington state.

Our findings shed light on the problems that ground-level administrators and policymakers face in implementing educational reforms within the current system and illustrate why progress is slow, despite these well-intentioned efforts. In addition, our findings make clear that without changes to the finance system to better support actor capacity and motivation and align the system with desired performance outcomes, Washington educators are unlikely to reach the objective of bringing all students to standard. We hope that the findings of this and other SFRP reports will encourage policymakers, practitioners, and the public to overcome historical precedents, stakeholder demands, and resistance to change in order to create a system that truly makes student achievement the paramount goal.

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Appendix A. District- and State-Level Interview Protocols

GENERAL SCHOOL INTERVIEW PROTOCOL

Our study is part of a larger project looking at how school finance systems help or impede efforts to improve student learning. We are particularly interested in how districts and schools use resources to accomplish their educational goals, how and by whom resource decisions get made, and what helps or hinders schools in using resources effectively, particularly in light of heightened pressures to improve student achievement.

So...we have some questions to ask you to help us understand how things work in your district.

Resource decisions

1. In light of today's push for higher student performance, what do you see as the major student performance challenges facing your school?
2. How has the push for higher student performance affected the way the school uses its resources—by which I mean dollars or the things they buy: staff, time, materials, etc.?
3. What is the school doing to improve the quality of teachers and teaching?
[Expect to probe here. Expect incentives and capacity building.]
4. What is the school doing to help students handle higher performance expectations?
[Expect to probe here. Expect incentives and capacity building.]

Resource decisionmaking

5. How does the school decide how best to use the resources available to it? Who's involved in those decisions? Please provide only general identification of the people who are involved. Please do not provide specific names.
[e.g., strategies, processes, bargaining, formulas, etc.]
6. Has this decision making process changed in response to pressures for higher performance?
7. In what ways, if any, are you able to link resource decisions to student performance goals?

PROBE: Is there a formal planning or goal-setting process? Who's involved? Again, please do not provide specific names. Is the plan used? How is it updated?

PROBE: How much authority does your school have over teacher hiring/firing? Teacher assignments or time? Professional development? Other resources? Has this level of authority changed recently?

PROBE: In what ways, if any, does the school use student performance information to make resource decisions? Who has access to the information? Again, please do not provide specific names.

PROBE: How does the school assess the effectiveness of its resource decisions?

Resource constraints/enablers

8. Do you think the school is using its resources as effectively as it could to improve student performance? How do you know?
9. What would you change, if you could?
10. What prevents you from making these changes?
11. From your perspective, is there enough money in the system to accomplish your performance goals? If no, what more do you need and what would you do with it?
12. Are there issues about the way the district allocates resources to you that hinder your ability to use resources effectively?
13. Are there strings attached to the money or other resources you get from federal, state, or other sources that hinder your ability to use resources effectively in terms of promoting student achievement? Please describe them.
14. When rules hinder you, are there ways to get around the roadblock? Do you use them?
15. To what extent do teacher contract obligations shape your resource decisions? Would you say that these contract obligations help or hinder you in using resources effectively?

Conclusion

16. Is there anything else about using resources to meet the school's goals, or about how school finance policies help or hinder your efforts here, that you think we should cover?
17. Are there documents you would particularly recommend that we review?
18. Who else should we talk to?

GENERAL DISTRICT INTERVIEW PROTOCOL

Our study is part of a larger project looking at how school finance systems help or impede efforts to improve student learning. We are particularly interested in how districts use resources to accomplish their educational goals, how and by whom resource decisions get made, and what helps or hinders districts in using resources effectively, particularly in light of heightened pressures to improve student achievement.

So...we have some questions to ask you to help us understand how things work in your district.

Resource decisions

1. In light of today's push for higher student performance, what do you see as the major student performance challenges facing your district?
2. How has the push for higher student performance affected the way the district uses its resources—by which I mean dollars or the things they buy: staff, time, materials, etc.?
3. What is the district doing to improve the quality of principals, teachers, and teaching in the district?
[Expect to probe here. Expect incentives and capacity building.]
4. What is the district doing to help students handle higher performance expectations?
[Expect to probe here. Expect incentives and capacity building.]

Resource decisionmaking

5. How does the district decide how best to use the resources available to it? Who's involved in those decisions? Please provide only general identification of the people who are involved. Please do not provide specific names.
[e.g., strategies, processes, bargaining, formulas, etc.]
6. Has this decision making process changed in response to pressures for higher performance?
7. In what ways, if any, are you able to link resource decisions to student performance goals?

PROBE: Is there a formal planning or goal-setting process? Who's involved? Again, please do not provide specific names. Is the plan used? How is it updated?

PROBE: How much authority do schools have over teacher hiring/firing? Teacher assignments or time? Professional development? Other resources? Has this level of authority changed recently?

PROBE: [If schools don't have much authority:] Ever consider giving schools more control over their resources?

PROBE: In what ways, if any, does the district use student performance information to make resource decisions? Who has access to the information? Again, please do not provide specific names.

PROBE: How does the district assess the effectiveness of its resource decisions?

Resource constraints/enablers

8. Do you think the district is using its resources as effectively as it could to improve student performance? How do you know?
9. What would you change, if you could?
10. What prevents you from making these changes?
11. From your perspective, is there enough money in the system to accomplish your performance goals? If no, what more do you need and what would you do with it?
12. Are there strings attached to the money you get from federal, state, or other sources that hinder your ability to use resources effectively in terms of promoting student achievement? Please describe them.
13. When rules hinder you, are there waivers or other ways to get around the roadblock? Do you use them?
14. To what extent do teacher contract obligations shape your resource decisions? Would you say that these contract obligations help or hinder you in using resources effectively?
15. Are there implementation issues at the school level that hinder your ability to use resources effectively?

Conclusion

16. Is there anything else about using resources to meet the district's goals, or about how school finance policies help or hinder your efforts here, that you think we should cover?
17. Are there documents you would particularly recommend that we review?
18. Who else should we talk to?

HR DISTRICT INTERVIEW PROTOCOL

Our study is part of a larger project looking at how school finance systems help or impede efforts to improve student learning. We are particularly interested in how districts use resources to accomplish their educational goals, how and by whom resource decisions get made, and what helps or hinders districts in using resources effectively, particularly in light of heightened pressures to improve student achievement.

So...we have some questions to ask you to help us understand how things work in your district.

Resource decisions

1. In light of today's push for higher student performance, what do you see as the major student performance challenges facing your district?
2. How has the push for higher student performance affected the way the district uses its human resources?
3. What is the district doing to improve the quality of principals, teachers, and teaching in the district?
[Expect to probe extensively here. Expect incentives and capacity building.]
4. What is the district doing to help students handle higher performance expectations?
[May not elicit much.]

Resource decisionmaking

5. How does the district make human resource allocation decisions?
6. Has this decision making process changed in response to pressures for higher performance?
7. In what ways, if any, does the district link human resource decisions to student performance goals?

PROBE: Is there a formal planning or goal-setting process? Who's involved? Please provide only general identification of the people who are involved. Please do not provide specific names. Is the plan used? How is it updated?

PROBE: How much authority do schools have over human resource decisions? Has this level of authority changed recently?

PROBE: [If schools don't have much authority:] Ever consider giving schools more control over their human resources?

PROBE: In what ways, if any, does the district use student performance information to make human resource decisions? Who has access to the information? Again, please do not provide specific names.

PROBE: How does the district assess the effectiveness of its human resource decisions?

Resource constraints/enablers

8. Do you think the district is using its human resources as effectively as it could to improve student performance? How do you know?
9. What would you change, if you could?
10. What prevents you from making these changes?
11. From your perspective, how is the overall level of funding an issue for human resource management?
12. Are there strings attached to the money you get from federal, state, or other sources that hinder your ability to use human resources effectively in terms of promoting student achievement? Please describe them.
13. When rules hinder you, are there waivers or other ways to get around the roadblock? Do you use them?
14. To what extent do teacher contract obligations shape your human resource decisions? Would you say that these contract obligations help or hinder you in using resources effectively?
15. Are there implementation issues at the school level that hinder your ability to use human resources effectively?

Conclusion

16. Is there anything else about using human resources to meet the district's goals, or about how school finance policies help or hinder your efforts here, that you think we should cover?
17. Are there documents you would particularly recommend that we review?
18. Who else should we talk to?

GENERAL STATE INTERVIEW PROTOCOL

Our study is part of a larger project looking at how school finance systems help or impede efforts to improve student learning. We are particularly interested in how states use resources to accomplish their educational goals, how and by whom resource decisions get made, and what helps or hinders states in using resources effectively, particularly in light of heightened pressures to improve student achievement.

So...we have some questions to ask you to help us understand how things work in your state.

Resource decisions

1. In light of today's push for higher student performance, what do you see as the major student performance challenges facing your state?
2. How has the push for higher student performance affected the way the state uses its resources—by which I mean dollars or the things they buy: staff, time, materials, etc.?
3. What is the state doing to improve the quality of principals, teachers, and teaching?
[Expect to probe here. Expect incentives and capacity building.]
4. What is the state doing to help students handle higher performance expectations?
[Expect to probe here. Expect incentives and capacity building.]

Resource decisionmaking

5. How does the state decide how best to use the resources available to it? Who's involved in those decisions? Please provide only general identification of the people who are involved. Please do not provide specific names.
[e.g., strategies, processes, bargaining, formulas, etc.]
6. Has this decision making process changed in response to pressures for higher performance?
7. In what ways, if any, are you able to link resource decisions to student performance goals?

PROBE: Is there a formal planning or goal-setting process? Who's involved? Again, please do not provide specific names. Is the plan used? How is it updated?

PROBE: How much authority do schools have over teacher hiring/firing? Teacher assignments or time? Professional development? Other resources? Has this level of authority changed recently?

PROBE: [If schools don't have much authority:] Ever consider giving schools more control over their resources?

PROBE: In what ways, if any, does the state use student performance information to make resource decisions? Who has access to the information? Again, please do not provide specific names.

PROBE: How does the state assess the effectiveness of its resource decisions?

Resource constraints/enablers

8. Do you think the state is using its resources as effectively as it could to improve student performance? How do you know?
9. What would you change, if you could?
10. What prevents you from making these changes?
11. From your perspective, is there enough money in the system to accomplish your performance goals? If no, what more do you need and what would you do with it?
12. Are there strings attached to the money you get from federal or other sources that hinder your ability to use resources effectively in terms of promoting student achievement? Please describe them.
13. When rules hinder you, are there waivers or other ways to get around the roadblock? Do you use them?
14. To what extent do teacher contract obligations or collective bargaining shape your resource decisions? Would you say that these contract obligations help or hinder you in using resources effectively?
15. Are there implementation issues at the district or school level that hinder your ability to use resources effectively?

Conclusion

16. Is there anything else about using resources to meet the state's goals, or about how school finance policies help or hinder your efforts here, that you think we should cover?
17. Are there documents you would particularly recommend that we review?
18. Who else should we talk to?

Appendix B. Washington's School Finance System

Elementary and secondary education in Washington is noteworthy for its swift reaction to education finance court cases, the resultant high percentage of education funding provided by the state, and the early development of student learning standards and assessments (Cipollone 1998; Washington State Office of Superintendent of Public Instruction 2006a). The Washington constitution establishes K-12 education as a “paramount duty” and requires that the state make “ample provision for the education of all children” while providing a “general and uniform” system of public schools. Court decisions in the 1970s and 1980s required the state to define and fully fund a basic education for Washington’s children. The Court’s findings regarding the state’s responsibility to define and fund a basic education help explain the unique nature of Washington’s education finance system including:

- Once a program is defined as a component of “basic education” it becomes an entitlement and the state may not reduce the funding level.
- Funding increases are often labeled as “enhancements.”
- The basic education funding formula is subject to change by the legislature.

Washington’s judicial decisions and subsequent finance legislation have produced a funding system that dedicates almost one-half of state general fund revenue to K-12 public education (42 percent in 2003-2005) (Washington State Office of Superintendent of Public Instruction 2006a). As a result, Washington’s schools on average receive 70 percent of their revenues from the state, which ranks Washington schools among the highest in the nation in the percentage of state-provided school district revenue.

Constitutional Responsibility

The Washington State constitution contains three provisions that guarantee equal access to public education and on which legal challenges to the state school finance system have centered (Senate Ways and Means Committee 2006; Washington State Office of Superintendent of Public Instruction 2006a):

- Article I, Section 12 is the state’s so-called equal protection clause: “No law shall be passed granting to any citizen, class of citizens, or corporation other than municipal, privileges or immunities which upon the same terms shall not equally belong to all citizens, or corporations.”
- Article IX, Section 1 is the state’s education clause: “It is the paramount duty of the state to make ample provision for the education of all children residing within its borders, without distinction or preference on account of race, color, caste, or sex.”
- Article IX, Section 2 mandates that the legislature shall “provide for a general and uniform system of public schools.”

Subsequent court decisions have defined “paramount duty,” “ample provision,” and “general and uniform system of public schools,” as will be discussed later in this section.

The State Role in and Features of K-12 Education Funding

The common school system of Washington dates to the 1854 passage of the basic common school law of Washington Territory by the first territorial legislation (Washington State Office of Superintendent of Public Instruction 2006a). Among other things, this law authorized the levying of a school district tax by vote of electors and established the Permanent School Fund, the interest of which was distributed to school districts. In the 1870s, the legislature established the office of Territorial Superintendent of Public Instruction and the Territorial Board of Education, and when Washington obtained statehood, legislation provided for continued county support of schools through local levies. In 1895 the legislature passed the Barefoot School Boy Law thereby creating an annual state tax to further aid districts. In addition, in 1937, the legislature developed a special equalization plan designed to provide additional state funds to poor districts, and since 1943, the state has provided supplemental funds to districts where special circumstances (e.g., small classes in small schools) call for additional resources.

Today, Washington enrolls approximately one million students in 296 districts and 2,200 public schools (National Center for Education Statistics 2004-2005; Senate Ways and Means Committee 2006). In addition, approximately 69,000 students attend private schools and 19,000 are homeschooled. Washington contains many small districts, with over half of the districts enrolling fewer than 1,000 students and one-quarter enrolling less than 250 students. Meanwhile, 11 large districts enrolling 20,000 or more students account for approximately 29 percent of total public school enrollment.

Roles and Responsibilities of Educational Actors

The formal decisionmaking authority and funding of this school system is shaped by Washington's constitution, court decisions, laws, and administrative rules and is heavily influenced by education reform efforts, politics, and the economy (Washington State Office of Superintendent of Public Instruction 2006a). Although Washington is considered a "local control" state, meaning that local school districts bear the responsibility for providing instructional programs for the state's schools, K-12 education finance in Washington also involves the legislature, state board of education, office of superintendent of public instruction, and educational service districts (Senate Ways and Means Committee 2006; Washington State Office of Superintendent of Public Instruction 2006a).

The *Washington Legislature* is responsible for determining the level of funding for essential programs including basic instruction, remedial education, special education, bilingual instruction, and transportation. Funding levels are guided by recommended student-teacher ratios outlined in the statute. However, the details of the funding formulae are established by the legislature in the biennial budget.

The *Washington State Board of Education* is responsible for ensuring that districts are fulfilling the basic program requirements under state law. The board can also "adopt rules to implement and ensure compliance with the program requirements" of the Basic Education Act (Washington State Office of Superintendent of Public Instruction 2006a). The board annually reviews and certifies school districts. Districts that do not meet statutory and board requirements can face deductions in state aid.

The *Washington Office of the Superintendent of Public Instruction* (OSPI) is responsible for supervising the state's public schools. This duty includes five key activities: (1) gathering and

providing information about the state's schools to the state and federal authorities, (2) "securing" laws and appropriations and implementing the law, (3) apportioning and distributing money, (4) providing technical assistance to Educational Service Districts and school districts, and (5) issuing teaching certificates.

Educational Service Districts are regional administrative units that assist OSPI in carrying out its duties, in particular the provision of cooperative and informational services to local school districts.⁵⁹

School Districts are responsible for delivering instruction to the state's children. Elected school boards charged with enforcing the rules and regulations prescribed by OSPI govern school districts. Local school boards are allowed to make local regulations as they see fit as long as they are consistent with OSPI rules and regulations. School districts are managed by district superintendents who are responsible to school boards for carrying out district policy, administering schools, supervising personnel, and advising the board on educational matters.

Budget Processes

OSPI begins the state budget development process by requesting budget items (Washington State Office of Superintendent of Public Instruction 2006a). RCW 28A.300.170 states:

The superintendent of public instruction shall submit such detailed estimates and other information to the governor and in such form as the governor shall determine of the total estimated amount required for appropriation from the state general fund for state support to public schools during the ensuing biennium.

The governor considers the OSPI budget request and then proposes a budget to the legislature. A biennial budget bill is then enacted by the state House of Representatives and Senate and signed by the governor before taking effect at the beginning of the state fiscal year (July 1).

By July 10 of each year, school districts prepare an annual budget for public review. School boards must adopt the budget before the beginning of the school year (September 1), and the adopted budgets are then submitted to OSPI. The Washington State Auditor examines school districts records for compliance with federal and state laws.

Limitations on Revenue Generation

As detailed below, while a series of legal decisions and legislative responses mandated state funding of a basic education, constitutional limitations, state laws, and voter initiatives limit taxes and restrict Washington's ability to raise revenue to support education.

State regulations prohibit an income tax and limit property tax revenues. The state constitution prohibits the collection of an income tax; therefore, the funding of education rests primarily on retail sales (53 percent), business and occupation (18 percent), and property taxes (11 percent) (Plecki 2001; Senate Ways and Means Committee 2006; Washington State Office of Superintendent of Public Instruction 2006a). In addition, the constitution (Article VI, Section 2) limits the regular property taxes paid by any taxpayer to 1 percent of the market value (exempting school district special levies). In 1975, the legislature further limited the property tax to 0.915 percent of the market value. Washington state law also curbs the growth of any taxing

⁵⁹ ESDs have no taxing authority; they rely on the state and federal government for funding.

district's regular property tax revenue to no more than 6 percent above the highest level reached in the last three years, exclusive of new construction (Plecki 2001).

An additional complication in Washington's efforts to fund its public schools is Initiative 601, the state's spending limit, which was adopted by the voters in 1993 and went into effect in 1995. This initiative imposes a limit on the state's general fund expenditures, restricts the legislature's ability to raise taxes and fees, provides for a required reserve fund, and restricts the ability of the legislature to transfer program costs to local governments. The spending limit can be increased at a rate over the previous year that is not greater than the sum of the rates of population growth and inflation.

State law also places limits on local revenue generation and salaries. At the local level, school districts also face limitations on raising revenue (Cipollone 1998; Senate Ways and Means Committee 2006; Washington State Office of Superintendent of Public Instruction 2006a). Article 7 of the state constitution and the Revised Code of Washington allow districts to levy local property taxes. There are four types of levies: excess general fund levies (also called maintenance and operation levies), debt service fund levies, transportation vehicle fund levies, and capital project fund levies. Levy approval requires two elements: (1) voter turnout equal to at least 40 percent of the previous general election total in the district (validation), and (2) a favorable margin of at least 60 percent of the votes cast on the special levy proposal (passage).⁶⁰ Washington voters passed a constitutional amendment granting an exception to the validation rule in 1973 for maintenance and operations and vehicle transportation levies only.

In addition to these validation and passage constraints, the amount of revenue school districts can raise locally through maintenance and operations levies is limited by the Levy Lid Act and Salary Control Act, enacted in 1977 (Plecki et al. 1997; Cipollone 1998; Plecki 2001; Senate Ways and Means Committee 2006; Washington State Office of Superintendent of Public Instruction 2006a). The levy lid was designed to limit local district levies to no more than 10 percent of a district's basic education allocation from the state and to ensure that such money provided enrichment programs at the local level. When the Levy Lid Act was passed, some school districts collected local revenues that exceeded the 10 percent lid. These districts were given special authorization to continue their higher levies. Levy amounts for these districts were to be reduced gradually so as to eliminate higher levies by 1982. However, the Levy Lid Law has been amended numerous times, ultimately increasing school districts' ability to raise levy revenues. A 1987 amendment changed the levy limit from 10 to 20 percent. Under current law, 205 of Washington's 296 school districts can raise local levy amounts up to 24 percent of their state and federal allocation. The other 91 school districts have a levy lid ranging from 24 to 34 percent.

The Levy Lid and Salary Control Act also restricted districts' capacities to use levy funds for employee compensation, limiting a district's actual average teacher salary to the amount its actual mix of teachers' experience garners on the salary schedule. The act also placed a ceiling on salary increases in districts with salaries above the state average while allowing districts with below-average salaries to use levy funds to raise salaries to the state average.

Voters have expressed opposition to increased taxes while at the same time supporting education funding. In November 1999, voters approved Initiative 695, a statewide initiative that

⁶⁰ If the voters do not pass the first special levy request, a school district may submit it to the voters a second and final time during the same levy election year.

radically altered the state's vehicle license fees. The initiative slashed all car license fees to a flat \$30, regardless of the age or value of the vehicle. This translated into a reduction of \$750 million in state revenue that was primarily allocated to transportation. Many analysts observed that the initiative was prompted by voter desire to "send a message" to elected officials to reduce government spending and to narrow the focus of government-funded activities.

Despite the passage of I-695, recent voter initiatives have supported higher taxing and spending for certain educational activities (Plecki 2003). In the November 2000 election, interest groups proposed two citizen initiatives that together played a dominant role in shaping Washington's school finance policy beginning with the 2001-2002 school year. Initiative 728 was the result of an 18-month grassroots campaign that called for increases in state spending on K-12 education. Approved by 72 percent of voters, the initiative established a Student Achievement Fund and an Education Construction Account. Revenues for this initiative come from state lottery, state property taxes, cigarette taxes, and any funds accumulated in the state's Emergency Reserve Fund in excess of 5 percent of annual general fund revenues. Initiative 732, approved by 62 percent of voters, provides for annual cost of living increases for public school employees. The statewide cost-of-living increase must be based on the Seattle consumer price index.

Education Spending and Revenue Sources

Despite the limitations on taxation described above, Washington state and local taxes totaled \$3,216 per capita in 2002, more than the national average of \$3,149 (Senate Ways and Means Committee 2006). Washington ranks 16th nationwide in per capita state and local taxes. This relatively high per-capita tax generation results from high sales and other taxes. At \$954 per capita, Washington's property tax rate ranks 20th in the nation, compared to the national average of \$971.

Before the first school finance court case in Washington, a substantial portion of school funds came from local property taxes, with the state providing only 47 percent of education funding (Plecki 2001). As a result of several court cases and subsequent legislation,⁶¹ in the 2004-2005 school year, approximately 70 percent of K-12 public education revenues were derived from state sources (Plecki et al. 2003; Senate Ways and Means Committee 2006; Washington State Office of Superintendent of Public Instruction 2006a). Federal sources contribute 10 percent, local property taxes total 16 percent, and other local sources provide the remaining 4 percent. To provide this support, 42 percent of Washington's general fund budget was devoted to K-12 education in 2005-2007, down from 47.5 percent in 1993-1995. In the 2005-2007 biennium, the state will spend \$10.9 billion from the general fund on K-12 public schools. In addition, the state will also spend another \$629 million in the 2005-2007 biennium from the Student Achievement Fund to support I-728 activities. This spending resulted in

⁶¹ In the 1977 education funding case (*Doran I*), the court indicated that the legislature is responsible for defining and fully funding a basic education. In response to this ruling, the legislature passed the Basic Education Act of 1977, which increased state funding and limited contributions from local levies. In response to a second court case in 1983 (*Doran II*), the legislature expanded the definition of basic education to include special education programs for the handicapped, transitional bilingual programs, remediation assistance programs, and certain specified pupil transportation costs. In 1987, the legislature added an additional component of state funding called local effort assistance, or levy equalization aid, which provides a guaranteed yield for local levies to those districts that levy above-average local tax rates to compensate for low property tax wealth. See the later section of this appendix for details on these court decisions.

average per student spending of state funds of approximately \$5,600 in 2005. This value is up from an average of approximately \$4,300 in 1994, but whether this value represents an increase or decrease in inflation-adjusted dollars depends on the inflation factor used (i.e., a decrease when using the Seattle Consumer Price Index versus an increase when using the Implicit Price Deflator).

The past two decades have seen significant changes in the percentage of school revenue from local property taxes (Washington State Office of Superintendent of Public Instruction 2006a). In 1973-1974, for example, local levies accounted for over one third (37 percent) of total education spending. As a direct result of changes in the state's school finance formula, that figure fell to 24 percent in 1977 and to 8 percent by 1980-1981. Since 1980-1981, the percentage of total revenue from local tax sources has slowly and steadily increased. In 2004-2005, local tax sources reached 16 percent of total revenue or an average of approximately \$1,300 per pupil.

Total local, state, and federal revenue for operating purposes exceeded \$7.7 billion in 2004-2005. This results in average per-student spending of approximately \$8,000, up from \$5,600 in 1994 (Senate Ways and Means Committee 2006). Using either the Seattle Consumer Price Index or the Implicit Price Deflator, this \$8,000 value represents a real increase in the overall per-pupil spending value. Despite this overall increase, Washington per-pupil spending is below the national average, ranking between 33rd and 43rd in per-pupil spending among the 50 states and Washington DC, depending on the year and data used (National Center for Education Statistics 2002-2003; Education Week 2005, 2006; Senate Ways and Means Committee 2006). These data indicate that Washington per-pupil spending is between \$600 and \$1,000 below the national average, again depending on the year and data used. In addition, for the 2004-2005 school year, Washington had the 6th highest number of students enrolled per teacher (19.2, compared to a national average of 15.8) and the 20th highest average teacher salary (at \$45,718, this figure is lower than the national average of \$47,674 and also lower than California, Oregon, Alaska, and Hawaii) (National Education Association 2006; Senate Ways and Means Committee 2006).

Districts spend the majority (61 percent) of their funds on teachers (Senate Ways and Means Committee 2006). They also spend an additional 8.4 percent on teaching support, 6.1 percent on central administration, and 6.1 percent on building administration. Pupil transportation accounts for 4.1 percent of spending, and food services account for 3.5 percent. The remaining 11 percent funds other support services.

Structure of the School Finance System

State funding flows to districts based on formulas and grants. The state's goal is to ensure equitable funding and to recognize the variable costs of districts and special-needs students (Washington State Office of Superintendent of Public Instruction 2006a).

State Basic Education Funding

Basic education funding consists of six allocations: general apportionment, special education, transportation, Learning Assistance Program (LAP), Transitional Bilingual Education, and Institutional Education (Senate Ways and Means Committee 2006; Washington State Office of Superintendent of Public Instruction 2006a).

The general apportionment formula provides foundational funding to districts. The amount each school district receives through the general apportionment formula varies based on

characteristics such as teacher experience and historical salary levels. The statewide general apportionment allocation was approximately \$4,200 per student in 2005-2006. This per-pupil spending resulted in a total general appropriation in the 2005-2007 biennium of approximately \$8.2 billion, encompassing 70.5 percent of state K-12 education general fund expenditures.

The general apportionment formula determines the state dollars allocated to each school district based on four elements:

- a ratio of certificated staff per 1,000 students of 49:1,000 for K-3 and 46:1,000 for 4-12;
- a ratio of certificated administrative staff of 4:1,000;
- a ratio of classified staff of 16.67:1,000; and
- a nonemployee-related cost (NERC) allocation for each certificated unit. In 2006, the state funded NERC at \$9,112 per certificated unit.

While the state sets ratios for instructional staff, it does not provide a uniform allocation based on the ratio. Rather, the state allocates money based on the “staff mix factor” which provides more funding to districts that have staff with more education and experience.⁶² In the case of certified instruction staff (CIS),⁶³ state funding is provided based on a state salary allocation schedule, which incorporates staff education levels and teaching experience.⁶⁴ Each school district determines the actual number and type of staff it will employ with the money generated by the formula, but it cannot employ fewer than the minimum ratios set in the basic education formula. In addition, actual minimum salaries cannot be less than the state salary allocation schedule for a BA or MA with no years of experience, and the actual average salary in the district cannot exceed the average salary calculated based on the state allocation schedule. Districts may provide supplemental pay for additional time, responsibilities, and incentives (TRI), but this supplemental pay is typically funded with local revenues.

Basic education funding provides for additional funding for special education as a fraction of the general apportionment. For 3- to 21-year-olds, the additional special education allocation totals 93 percent of a district’s average per-student general apportionment allocation. Funding for such special education students is provided for up to 12.7 percent of the students in the district. However, the current structure does provide a safety net for districts that can prove that they experience special education costs in excess of state and federal allocations. For 3- to 21-year-olds, special education state funding was approximately \$3,900 per student for 2005-2006. The state special education funding appropriation totaled approximately \$932 million or 8.1 percent of state education general fund spending in the 2005-2007 biennium.

Basic education funding also includes transportation, the Learning Assistance Program, transitional bilingual education, and institutional education programs. The state funds

⁶² The state also allocates for fringe benefits. The fringe benefits include employer contributions to OASI, industrial insurance, medical aid and the supplemental pension contribution, unemployment compensation, and the retirement systems. The state also funds insurance benefits. The state pays \$7,548.84 per staff unit; the district pays \$48.42 per staff unit.

⁶³ For administrators and classified staff (bus drivers, food service workers, custodial staff, classroom aides) each district receives an allocation based on historical salary allocations adjusted for cost-of-living increases.

⁶⁴ The salary schedule for the 2005-2006 school year ranged from \$30,383 for a CIS with a BA and no years of experience to \$57,266 for a PhD with 16 or more years of experience.

transportation for school bus trips to and from school beyond one mile, for fees on local transit systems, and for shuttles between learning centers for instruction mandated by statute. There are additional allocations for K-5 students who live within a one-mile radius of school and are therefore ineligible for traditional transportation funding. The formula also includes funds for replacing school buses. The state sets a per-mile allocation rate for transporting eligible students. In the 2005-2006 school year, the allocation was \$42.21 per weighted student mile. This rate resulted in a transportation appropriation of \$489 million in 2005-2007 (4.2 percent of total K-12 general funding spending).

The Learning Assistance Program (LAP) is designed to promote the use of data when developing and implementing programs to assist underachieving students. Districts are limited in the expenditures they can make using LAP funds to the following:

- extended learning time occurring before or after the regular school day, on Saturdays, and/or beyond the regular school day;
- professional development for certified or classified staff that focuses on the needs of diverse learners, literacy and math content, and instructional practices and/or use of student work to guide effective instruction;
- consultant teachers to assist in implementing effective instructional practices by providing direct service to students;
- tutoring support for students; and
- outreach activities and support for parents.

Prior to the 2004-2005 school year, LAP allocations were based on eligibility for free/reduced-price lunch and student test scores, resulting in decreased funding as test scores increased. The allocation is now based solely on the number of free/reduced-price lunch students. In 2005-2006, the allocation rate was approximately \$187 per pupil. In the 2005-2007 biennium, the LAP appropriation was \$155 million, or 1 percent of total K-12 general fund spending.

The Transitional Bilingual Education Program (TBIP) was developed in 1979 to support school staff and training associated with teaching English. To obtain funding, districts identify bilingual students. A student is eligible for bilingual instruction for no more than three years and only while scoring below the 35th percentile in reading and language arts. The 2005-2006 allocation was approximately \$773 per TBIP student, resulting in estimated appropriation of \$123 million in 2005-2007 (approximately 1 percent of the state K-12 education general fund spending).

Lastly, the state funds educational programs for children in certain institutions such as residential habilitation centers and juvenile detention facilities. The allocations vary based on program type and size. The allocation was approximately \$10,200 in 2005-2006, for a total appropriation of \$39 million in 2005-2007 (less than 1 percent of state K-12 education general fund spending).

Non-Basic Education Funding

In addition to funding programs deemed part of the state's basic education, Washington provides additional funding to districts for enhancement programs (Senate Ways and Means Committee 2006; Washington State Office of Superintendent of Public Instruction 2006a). The

most significant of these programs appear below. In addition to these programs, in the 2005-2007 biennium the state also appropriated \$126.2 million on health care benefit increases, \$26.6 million on state office and education agencies, \$7.4 million on educational service districts, \$7.9 million on food services and pupil transportation coordinators, and \$6.2 million on summer and skills centers.

The Student Achievement Fund (I-728) primarily supports class size reduction. In November 2000, Washington voters approved I-728, which dedicated state revenues (a portion of state property tax, lottery revenues, and cigarette tax revenues) to the Student Achievement Fund (SAF) “to support high standards of achievement for all students.” Under I-728, school districts have considerable expenditure flexibility to improve student performance.

The state encouraged districts to use the funds in the manner the district thinks will be most effective in increasing student performance through:

- K-4 class size reduction
- selected 5-12 class size reductions
- professional development
- preschools
- facility improvements
- tutoring

In 2004-2005, the I-728 allocation totaled \$254 per full-time equivalent (FTE) student. Under current law, this value is set to increase to \$450 per FTE in the 2007-2008 school year, and thereafter to be indexed to inflation. In 2005-2007, the state allocated \$629 million on I-728, which amounts to 5 percent of the state K-12 education general fund spending.

Local Effort Assistance (LEA) (levy equalization) provides additional resources to poor districts. The state provides extra assistance to districts with above-average tax rates due to low property valuations.⁶⁵ In order to be eligible for this assistance, a district must pass a maintenance and operations levy. In calendar year 2005, 215 of the state’s 296 districts received LEA allocations. Twenty more districts were eligible but did not pass a maintenance and operations levy to qualify for equalization funding. In 2005-2007, the state appropriated \$357 million on LEA, which amounts to 5 percent of the state K-12 education general fund spending.

The Better Schools Program (K-4 enhanced spending ratio) also supports class size reduction. The Better Schools Program, initiated in 2000, was developed to fund (1) class size reduction and to increase contact time in grades K-4, (2) additional classroom contact hours for struggling students, and (3) additional staff development. In 2005-2007, the state allocated approximately \$207 million on the Better Schools Program, which amounts to about 2 percent of the state K-12 education general fund spending.

⁶⁵ A district is eligible for assistance if its 12 percent levy rate exceeds the statewide average 12 percent levy rate. The 12 percent rate is the tax rate needed to collect a levy equal to 12 percent of the district’s levy base. A district’s levy base consists of most state and federal revenues for the prior school year plus the percentage increase in state basic education funding per pupil between the prior and current school years. The allocation is determined by multiplying the district’s 12 percent levy amount by the following formula: the district 12 percent levy rate minus statewide average 12 percent levy rate divided by the district 12 percent levy rate.

Initiative 732 provides cost-of-living increases. Approved by voters in 2000, Initiative 732 requires an annual cost-of-living salary adjustment (COLA) for K-12 teachers and other public school employees. A controversy emerged concerning the implementation of I-732 as to whether or not public school employees who were not state-funded were included under I-732. A December 19, 2002, State Supreme Court decision ruled that all public school district employees are included under the initiative. However, the legislature subsequently modified the COLA provisions for K-12 employees so that the state is required to fund only costs associated with providing the COLA to state-funded employees. This means that the costs associated with providing the COLA to local and federally funded staff are not paid by the state. The COLA was scheduled to take effect in 2002; however, in 2003 the legislature suspended the COLA requirements, claiming the adjustments were not part of basic education. In 2005-2007, the state appropriated approximately \$135 million to I-732 (about 1 percent of the state K-12 education general fund spending); however, because of inflation, this value was expected to increase by \$35 million.

A variety of education reform programs are also supported. The education reform programs support the state's four learning goals.⁶⁶ raise academic standards, and aim to improve student achievement. In 2005-2007, state allocations for the education reform programs totaled approximately \$83 million or 0.7 percent of the total state K-12 education general fund spending. The biggest programs include the following (allocation amounts indicated are for the 2005-2006 schools year):

- Assessment of Student Learning (\$19.8 million): Funding for the development and implementation of the WASL.
- Readiness to Learn (\$3.6 million): Funding for grants to school districts to provide a continuum of care for families and children to build capacity for school readiness.
- Focused Assistance to Schools (\$3.0 million): Funding for the OSPI to conduct educational audits of low-performing schools.
- National Teacher Certification (\$3.0 million): Funding to provide a \$3,500 annual bonus to all teachers who are certified by the National Board for Professional Teaching Standards.
- Meals for Kids Program (\$2.5 million): Funding to provide school breakfast, lunch, and summer food service programs.
- Mentor Teacher Assistance (\$2.4 million): Funding for mentoring programs for beginning teachers.

⁶⁶ The student learning goals (enacted in ESHB 1209) are:

1. read with comprehension, write with skill, and communicate effectively and responsibly in a variety of ways and settings;
2. know and apply the core concepts and principles of mathematics; social, physical, and life sciences; civics and history; geography; arts; and health and fitness;
3. think analytically, logically, and creatively and integrate experience and knowledge to form reasoned judgments and solve problems; and
4. understand the importance of work and how performance, effort, and decisions directly affect future career and educational opportunities.

- Technology Infrastructure (\$2.0 million): Funding for improving technology infrastructure, monitoring, and reporting on school district technology development.
- Mathematics Helping Corps (\$1.8 million): Funding to allow schools to hire math consultants for curriculum, instruction, professional development, and community involvement programs.
- High School and School District Improvement Program (\$1 million): Funding to match an equal amount committed by a nonprofit foundation in furtherance of a jointly funded project.

Student Learning Improvement Days support professional development. In 1993, the state initiated Student Learning Improvement Grants (SLIGs) to provide training time for educators to implement education reform. In 1999, SLIGs were replaced by learning improvement days (LIDs). In 2005-2007, state appropriations for Learning Improvement Days totaled approximately \$56 million or 0.5 percent of the total state K-12 education general fund spending.

Statewide programs support a variety of educational activities. In 2005-2007, the total allocation for statewide programs was approximately \$20 million (about 0.2 percent of total state general fund education spending).

The larger allocations within the statewide programs included (allocation amounts indicated are for the 2005-2006 schools year):

- ESD Nursing Corps (\$2.5 million): Funds are provided to staff a corps of nurses housed in the ESDs to provide services to the neediest schools.
- K-20 Telecommunications (\$1.9 million): Funds are provided for telecommunications technical support.
- Pacific Science Center (\$1.2 million): Funds are provided for in-service training and educational programs conducted by the Center.
- LASER Science Center (\$1.1 million): Funds are provided for science education reform coordinated at the Pacific Science Center.

Highly capable students programs are also supported by the state. Under Washington's Highly Capable Students Program, a highly capable student is defined as a student assessed to have superior intellectual or creative ability as demonstrated by multiple criteria. A district can categorize no more than 3 percent of its student population as gifted. The state then allocates \$347.24 per highly capable pupil. This allocation totaled approximately \$13.8 million in 2005-2007, accounting for less than 0.1 percent of the state K-12 education general fund spending.

Capital Funding

Washington State provides funding for the construction and modernization of buildings used for instruction (Washington State Office of Superintendent of Public Instruction 2006a). The amount of state funding provided varies based on the amount of assessed property value (i.e., the higher a district's property wealth, the less aid it receives). The state-matching rate varies from 20 to 90 percent and is applied to an allowable cost per square foot set by the State Board of Education.

Reported Weaknesses in Funding System

Washington's K-12 education finance system has been studied by various entities over the last 10 years. These studies identified ways Washington's system could be improved, such as:

- including a cost-of-living factor in the salary schedule, providing incentives for teachers in hard-to-staff schools, and aligning the salary schedule with standards-based reforms (Plecki et al. 2003);
- finishing equalization of the levy system by lowering the rates for the grandfathered districts (Graham, Fraser, and Morrissey 2004); and
- investigating regional cost variations and the costs faced by high-poverty districts (Joint Legislative Fiscal Study Committee on K-12 Finance 1995; Huggins and Celio 2002).

After several failed attempts at passing legislation to fund an education finance study, the House of Representatives convened an internal working group to review K-12 finance in the state of Washington (Graham, Fraser, and Morrissey 2004). The bipartisan House K-12 Finance Workgroup, initiated after the 2004 legislative session, set the following goal: "To acquire a foundation of knowledge that will allow the legislature to address the question of whether our K-12 education finance structure is consistent with the state's education policies, including the goals of education reform." The group heard testimony from researchers, policymakers and staff, and practitioners. They subsequently concluded that while Washington's basic finance structure is "sound to the extent that it is driven by student enrollment and staffing ratios, and attempts to address special needs," they also identified structural flaws in several areas including the compensation system, special education funding formula, student transportation funding formula, Learning Assistance Program funding formula, and grandfathered local levy limitations. They also identified the need to better align the finance system with the standards-based reforms.

Local Decisionmaking, Allocation Mechanisms, and Reporting

The above discussion provides information on how the state distributes funds to districts; however, the state's allocation does not dictate how districts then distribute federal, state, and local funds among schools and students. Washington state law indicates that the state allocation formula "shall be for state allocation and equalization purposes only and shall not be construed as mandating specific operational functions of local school districts," thereby providing districts with control over how they allocate their resources. While the research literature provides few studies describing and evaluating local funding distribution, a 2005 report by the Joint Legislative Audit and Review Committee (JLARC) provided insights into fund distribution at the local level in Washington.

This report contained the following findings (State of Washington Joint Legislative Audit and Review Committee 2005):

- Districts use similar information to make decisions regarding how to distribute funds among schools including the size of student enrollment, grade levels and student characteristics, the number of teachers at each school, expectations of district stakeholders, a school's unique facilities or programs, and student performance.

- Districts use different allocation mechanisms to distribute funds, including staff and material allocations per student, flat staffing and supplemental allocations (e.g., one principal and one secretary for every school and fixed allocations for field trips), or a combination of these two. Other districts provide schools with a lump sum and allow school administrators to use resources as they choose.
- Washington does not require districts to report school spending, and, although districts can choose to code expenditures to schools in their accounting systems, there is no uniform method for coding spending to schools. In addition, even when districts code spending to schools, districts often charge a portion of school spending (in this study between 28 and 44 percent) to central departments or programs.
- Districts maintain decisionmaking control over costs related to utilities, transportation, food services, and maintenance. Schools control spending decisions regarding supplies, library books, textbook replacements, and copier machine contracts. Resource decisions regarding staffing, curriculum, and professional development are often made jointly by districts and schools. In general, school principals have limited authority to make decisions about their school budgets.
- Districts in the study use student assessment data in their decisionmaking processes to review teaching practices and curriculum and to identify students who need extra assistance.

State Context for Policymaking

Policymaking in Washington State is influenced by judicial decisions, education reform, the economy and budget climate, and the political environment.

Judicial Decisions and Basic Education Funding

Judicial decisions and legislative responses have substantially shaped K-12 funding in Washington State (Washington State Office of Superintendent of Public Instruction 2006a). They have resulted in a funding system that dedicates almost one-half of state general fund revenue to K-12 public education and ranks among the highest in the nation in the percentage of state-provided school district revenue. Despite current state investments in K-12 education, challenges to the adequacy of education funding in Washington continue.

First challenge to education finance system fails. At the time of the first challenge to Washington’s education finance system, the major source of state funding was a fixed amount per weighted pupil (Cipollone 1998). In the 1970s, voters frequently rejected levy proposals, resulting in significant program reductions. The first court case in Washington involved 25 school districts that claimed that the Washington funding system violated the state and federal equal protection clauses. In *North Shore School District No 417 v. Kinnear (1974)*, the State Supreme Court, relying on the U.S. Supreme Court’s decision in *San Antonio v. Rodriguez*, denied the state equal protection claims and rejected the idea that disparities in property wealth violated either the “ample provision” or “general and uniform” clauses of the state constitution.

The Miller Report lays the foundation for change. In 1975, after 65 school districts failed to pass their levies, the legislature contracted with Wally Miller, a former state budget director, to perform a study of Washington education finance (Cipollone 1998). The resulting Miller Report noted that the state system was the major source of unequal educational opportunities and that the state spent proportionally less of its income on K-12 public education than other states. The report identified alternate sources of revenue for K-12 funding and suggested a levy equalization plan. In addition, the report noted that most of the variation in spending resulted from differences in staff salaries and the staff-to-pupil ratios. The report recommended a system creating more uniformity in staffing.

***Doran I* leads to the Basic Education Act and increases in education spending.** In 1977, the Seattle School District sued the state, claiming that the Washington finance system violated the education clause of the Washington constitution (Cipollone 1998; Senate Ways and Means Committee 2006; Washington State Office of Superintendent of Public Instruction 2006a). In this case, Judge Theodore Doran of the Thurston County Superior Court ruled that (1) the state was not sufficiently funding basic education and (2) the state had not defined the elements of a basic education or a method for funding a basic education. The court charged the legislature with defining a “basic program of education,” distinguished from all other education programs or services, and with sufficiently and amply funding it. The court found that the concept of a basic education went beyond reading, writing, and arithmetic, embracing “broad educational opportunities needed in the contemporary setting to equip children for their role as citizens and as potential competitors in today’s market as well as the marketplace of ideas.” In the court’s view, the state would meet its paramount duty to make ample provision for basic education only if sufficient funds were provided through “dependable and regular tax sources” as required by the “ample provision” clause of the constitution, and local levies were neither of these. The court further indicated that the state has no duty to fund programs not included in the basic education definition, that local levies were constitutional, and that local levy funds could be used for enrichment activities. The court found that the paramount duty assigned to education is superior in rank and above all others, and that neither fiscal crisis nor financial burden changes this duty.

In response to this ruling, the legislature, relying heavily on the Miller Report and an ad hoc committee consisting of members of the Education Committee, other legislators, and citizens, quickly passed the Basic Education Act (BEA) of 1977 (Cipollone 1998). This quick response was partially a result of the fact that even before the lawsuit, tax reform advocates, legislators, and school administrators were working on alternatives to the “levy roulette” that was causing so many problems for budget planning. In addition, the Citizens for Fair School Funding (CFSF), which started in Seattle as a response to the double-levy failure in 1975 but then expanded through grassroots efforts to 140 districts, developed a legislative proposal for changes to the school finance system. The CFSF established a statewide task force of citizens with a broad range of skills that subsequently developed and priced a school finance proposal containing a broad definition of a basic education and including extra funding for urban schools and special-needs students.

In its final form, the BEA defined a basic education by establishing goals, minimum program hours, teacher contact hours, and a mix of course offerings (Senate Ways and Means Committee 2006). The BEA also increased state funding and revised the school finance formula to fund basic education through an allocation formula based on a ratio of full-time-equivalent students to certified staff (Cipollone 1998). The legislature provided extra funding for certain districts, such

as small, remote districts with declining enrollment, but left special education as a categorical program and did not include an urban factor. The legislature also passed the Levy Lid and Salary Control Act, which established a statewide salary schedule and placed limits on the share of funding that could be raised by local levies.

At the time the BEA was enacted, Washington experienced an unexpected revenue surplus, so the new law was implemented without a tax increase (Cipollone 1998). Unfortunately, the BEA resulted in a shift of resources from districts educating poor and minority students to more white, affluent districts. Also, Seattle, the original plaintiff, did not see significant funding relief because of the omission of regional cost differences and an urban factor and because of the capping of salaries in high-paying districts.

Doran II clarifies the components of a basic education. In 1983, the Seattle School District and 25 others filed another lawsuit against the state following a \$200 million cut in the education budget during a recession (Cipollone 1998; Senate Ways and Means Committee 2006; Washington State Office of Superintendent of Public Instruction 2006a). The plaintiffs claimed that the state failed to fully fund a basic education in all districts, specifically citing the needs of diverse urban areas. In this case (*Doran II*), the court ruled that the state must fully fund both basic and categorical programs, including special education, bilingual education, remedial education, and certain types of transportation. The court also listed a number of programs that the state is not obligated to fund, including gifted education, food services, extracurricular activities, desegregation costs, and deferred maintenance. The court found that once the legislature established the funding level for basic education programs that level cannot be reduced.

Doran II also established principles regarding the funding of special education, which would become important in later court challenges, including the following:

- As determined by statutes and regulations, the state is required to fund special education according to the individualized education programs (IEPs) developed by school districts for each child.
- The state must distribute funding in support of the program in a manner that is as close as reasonably practical to the actual cost of providing the programs set forth in the IEPs.

Doran III affirms special education funding mechanism but provides a safety net. A full-cost special education program model had been implemented in Washington in 1980-1981, providing funding to school districts based on a special education student's educational delay, not on a specific disability condition (Cipollone 1998; Washington State Office of Superintendent of Public Instruction 2006a). The model also funded the portion of a child's time spent in regular basic education, and funded that time as part of the basic education program.

In the 1980s, the Washington State Special Education Coalition challenged the state's approach to funding special education. Specifically, they objected to (1) the element of the formula that distributed declining funding for severe learning disabled students when the percentage of such students exceeded 4 percent, (2) the allocation of funding based on the statewide average characteristics of students with disabilities (as compared to distributing funding based on the attributes of each special education student in the district), and (3) the provision of funding only for direct costs.

In 1988, Judge Doran upheld the formula approach and the state's formula, but noted that the formula underfunded some districts. He recommended the addition of a safety net fund to cover the expenses of exceptionally high cost students. In *Doran III*, the judge also reaffirmed that the IEP is the determinant of the special education program to be delivered to every eligible student and went on to note that, "School districts statewide expend funds for both the direct and indirect costs of special education for handicapped programs far greater than the funding provided by the state through the formulas."

In 1991, the legislature developed a new formula for funding special education, which included a safety net provision. Under the new formula, districts were allocated funding for students with disabilities from birth to age 2 and from age 3 to 21 as a percentage of the basic education allocation rate. In addition, this funding is limited to special education populations up to 12.7 percent of the overall population. The formula and safety net changes took effect in 1995-1996.

Concerns around adequacy continue in 1990s. While these court challenges and subsequent acts increased the state share of education funding, provided districts with more stable funding by reducing reliance on local levies, and established a method for defining a basic education, concerns about the adequacy of education funding in Washington persist (Plecki et al. 1997; Cipollone 1998). The BEA formula does not fund all local district costs relating to compensation and benefits, transportation, substitute teachers, librarians, counselors, nurses and other educational specialties. The BEA also does not fund many new educational resources such as computers. As noted above, in 1995 the legislature imposed a cap on special education funding, limiting state funds to those associated with a special education population of 12.7 percent of the total student population. Also as noted above, depending on the inflation adjustment used, state funding of education may not be keeping up with inflation. Finally, the current finance system is based on inputs (staff, materials, and operating costs based on enrollment), while the Education Reform Act of 1993 (details provided below) is based on output goals and student performance assessments. The *Conditions of Education in Washington State 1997* report commissioned by a consortium of Washington school districts summarized the disconnect this way: "Washington's finance system is out of synch with the state's current education reform emphasis . . . Dollar amounts, specified at the state level and targeted to designated programs and staffing formulas, are unlikely to achieve uniform results across districts with quite different contexts and needs."

In the early 2000s, several groups published reports arguing that the state finance system is inadequate. In 2002, the League of Education Voters published *Realities of Education Funding in Washington State*, which claimed that, "Washington's antiquated input-driven method of school finance is not supporting its output-driven, performance-based commitment to education reform." The report states that the system needs to be ample, flexible, stable, equitable, straightforward, and accountable. In 2003, the Rainier Institute published the *What Will It Take?* report identifying additional funds needed for adequacy and discussing implementation challenges. In 2004, a PTA report concluded that the state's funding system was fairly equitable, but that it fell short on adequacy.

District alliance mounts new challenges to state funding system. In September 2004, 11 districts charged that the state was not providing sufficient special education funds to districts (Solomon 2004). In the complaint, the plaintiffs claimed that the state failed to fund at least \$92 million in state and federally mandated special education program costs in 2001-2002 and at

least \$101 million in such costs in 2002-2003 (School districts' alliance for adequate funding of special education v. The State of Washington 2004). Because the state failed to provide funds to cover these mandated program costs, local districts bore this burden.⁶⁷ The plaintiffs also noted that the safety net program does not fully address the problem because, “The state reduces a district’s eligibility for safety net funding by the amount of local levy and other funding that the district used to fund special education programs during the prior school year. Through this maintenance of effort requirement, the state created and now perpetuates an unconstitutional local funding component for special education in many districts.” They also noted that the total safety net funding in 2002-2003 was less than \$12 million, leaving \$101 million in unfunded special education costs.

In 2005, shortly after the filing of the lawsuit, Governor Gregoire proposed and the legislature created the Washington Learns Commission to review education programs and funding in the state from prekindergarten through higher education. In September 2005, one month before the judicial challenge was set to begin, the court, citing the state’s boost in special education spending and recent efforts to study education funding, placed the case on hold pending the outcome of the Washington Learns Commission activities (Abe 2005). Superior Court Judge Tom McPhee indicated that the governor should be given a chance to address the issue before the court stepped in, and he then set a new trial date of October 30, 2006. In early October 2006, Washington Learns released a draft final report for public comment that provided several recommendations for improving education in Washington but did not tackle the tough issues of revising the definition of a basic education or addressing structural problems in the state finance system (see below section on Education Reform for more details on recommendations) (Plecki 2006; Washington Learns 2006). On October 30, the court case regarding special education funding resumed, with plaintiffs claiming that the gap between state funding for special education and the actual costs had grown to \$130 million per year (Ammons 2006).

On November 21, 2006, another lawsuit was filed against the state education system (Blankinship 2006; Federal Way Public Schools 2006; Mak 2006; Seattle Times Local News Digest 2006). In this case, the Federal Way School District filed suit in the King County Superior Court against the state of Washington claiming that the current system created substantial differences in state funding from one school district to another and that no rational basis existed for these differences. As school board member Dave Larson noted, “The question is not necessarily whether funding is adequate across the board, but whether the funds allocated by the legislature for education are fairly disbursed.” The lawsuit claims that formulas relating to staff and administrator salaries set back in the 1970s are unfair because the amount the state reimburses school districts is based on what each district paid for salaries in the 1976-1977 school year, resulting in different reimbursements for each district. The suit claims, “The funding disparity does not reflect differences in geography, demographics, student population, cost of living, or any other educationally relevant variable.” Federal Way indicated that they filed the lawsuit after it became clear that the Washington Learns Commission would not address this

⁶⁷ Specifically, the districts claimed that (1) the state appropriates funds on a flat per capita basis without regard to variable costs associated with student IEPs, (2) the state allocates money to districts with a flat rate that does not cover variable costs in some districts, and (3) the state caps the number of students eligible for special education services, regardless of the actual number of students the district actually serves. They argued that this allocation process does not correlate the state funding level with the total actual costs of special education programs, resulting in costs being pushed down to the local level.

issue in its final report. The case is scheduled to go to trial in May 2008, although the district indicated that they would be willing to settle out of court.

Most recently, a group of parents along with the Network for Excellence in Washington Schools,⁶⁸ filed suit against the state of Washington arguing that the state fails to fund a basic education as required in the state constitution. This case, *McClearly v. State*, filed on January 11, 2007 argues that the state's failure to provide the basic necessities for learning has led to both high rates of drop outs as well as the production of graduates who are not prepared to compete in the global economy (National Access Network 2007). McClearly and other plaintiffs are asking the court to rule that the state must determine the cost of providing the constitutionally required education to all children and then fully fund that cost. Similar to the Federal Way lawsuit, plaintiffs in this case said that despite their support for Gregoire's proposed education budget, they filed suit after realizing that the Washington Learns task force had not taken steps toward fixing the state's budget problems (Blankinship 2007).

Education Reform

Before the passage of the Basic Education Act of 1977, Washington's public school system was decentralized, with most decisionmaking occurring at the local level. As indicated by the earlier discussion of this act, the BEA marked a shift in funding responsibility, which also carried with it new state regulation of school operations, including the length of the school year, mandatory instructional hours, and mandatory contact hours. Laws passed in the 1990s attempted to shift state oversight from inputs (types of instruction or other services to be provided) to results (student performance related to state standards and assessment). Today, most decisionmaking remains decentralized; however, high school students face state-imposed consequences associated with failing the WASL, and districts and schools that receive Title I funds face consequences associated with failing to meet the Adequate Yearly Progress (AYP) requirements of *No Child Left Behind* (NCLB).

Washington Education Reform Act initiates standards and accountability in Washington. In Washington, education reform began in 1991 with the Governor Booth Garner's Council on Education Reform and Funding (GCERF) (Plato 1995; Washington State Office of Superintendent of Public Instruction 2006a). This council, made up of elected officials, business, education and legislative leaders, was tasked with developing a long-term plan to reform public schools and improve student performance. The recommendations in their final report *Putting Children First, Improving Student Performance in Washington State*, laid the foundation for education reform in Washington. The document's recommendations focused on changing from a "time-based" to a "performance-based" education system but also included support for local decisionmaking, comprehensive services for children and families, strengthening teacher education and in-service programs, and deregulation and flexibility for schools in implementation of reforms.

Drawing from the recommendations from the council and from strong business support, the legislature passed ESHB 5953 in 1992 (Plato 1995; Cipollone 1998; Washington State Office of Superintendent of Public Instruction 2006a). This act created the Commission on Student

⁶⁸ The Network for Excellence in Washington Schools is comprised of the Washington State PTA, the League of Women Voters of Washington, the Urban League of Seattle, the State Special Education Coalition, the Equitable Opportunity Caucus, the Minority Executive Directors Coalition, the Protection and Advocacy System, the Washington Education Association as well as 12 districts and their education associations.

Learning and charged it with developing clear and challenging student learning standards, statewide assessments to measure progress on these standards, and recommendations for an accountability system that would hold districts and schools accountable. The act also provided districts with greater flexibility and decisionmaking authority and made changes to teacher preparation and certification. In 1993, the house passed ESHB 1209, the Washington Education Reform Act (WERA), which added to ESHB 5953 by (1) placing student learning goals in statute, (2) establishing timelines for assessment and accountability, and (3) establishing a legislative group to review K-12 laws and identify those that could inhibit standards-based reform. These laws also included learning improvement grants for teachers, internship programs for principals and administrators, paraprofessional training, and annual school reports. Teacher contact hours were phased out, and requirements for instructional hours per grade level were loosened.

During the 1990s and early 2000s, the Commission on Student Learning (and later the Academic Achievement and Accountability Commission, see below) worked to establish the Essential Academic Learning Requirements (EALRs) for reading, writing, math, listening, science, social studies, the arts, and health and fitness and to develop the Washington Assessment of Student Learning (WASL) to assess students in 4th, 7th, and 10th grades on these skills. The WASL was first administered in the 1996-1997 school year, encompassing the testing of 4th graders in math, reading, and writing (Washington State Office of Superintendent of Public Instruction 1996-2006). Testing in 7th grade was added in 1997-1998, and 10th grade testing was added in 1998-1999.

In 1999, the Commission on Student Learning expired, OSPI assumed most of its responsibilities, and the legislature established the Academic Achievement and Accountability Commission (A+ Commission) (Plato 1995; Washington State Office of Superintendent of Public Instruction 2006a). The A+ Commission was charged with: (1) identifying schools and districts for rewards, assistance, or intervention based on how well students perform on state tests; (2) revising levels of achievement indicative of reaching state standards; and (3) adopting goals for improving graduation rates and student performance on state tests (Plato 1995; Graham, Fraser, and Morrissey 2004). However, the legislation significantly limited the efforts of the commission by not including any incentives or other consequences for meeting the commission's goals and prohibiting interventions in a school or district pending additional legislation. Therefore, the only consequences for performance facing schools and districts in Washington are those associated with the AYP provisions of the NCLB, and Washington applies these consequences only to schools that receive Title I funding.

High stakes in Washington are, however, applied to students. Passed in 2004, HB 2195 requires the graduating class of 2008 to pass the 10th grade assessments in reading, writing, and mathematics before being awarded a diploma. This law also removed the listening, social studies, arts, and health and fitness from the list of state assessments. To assist students in passing the WASL, the legislature expanded the Learning Assistance Program to include struggling high school students. However, in 2007 the legislature pushed back the requirement for passing the math assessment to 2013.

While WASL passing rates have increased since 1996, overall passing rates are still below the 100 percent goal, with overall state average math passing rates by grade between 49 and 59 percent and reading passing rates between 62 and 82 percent in 2005-2006 (Washington State Office of Superintendent of Public Instruction 1996-2006). While passing rates for most minority

groups and special-needs students (low-income, bilingual) have followed the general upward trend of the state average, the passing rates for most minority groups and special-needs students are still lower than (sometimes much lower than) the passing rates of white students, with very little progress being made toward reducing the achievement gap. Therefore, education reform remains a work in progress in Washington, with a focus being placed on (1) developing systems to track student achievement over time and relate it to demographic, programmatic, and fiscal data; and (2) aligning curriculum and classroom practice with EALRs, including the use of new Grade Level Expectations (GLEs) for reading, math, writing, and science.

Washington Learns provides some recommendations for reform. As mentioned above, in 2005, Governor Gregoire proposed and the legislature created the Washington Learns Commission charged with reviewing education programs and funding in the state from prekindergarten through higher education (Washington Learns 2006). The stated goal of Washington Learns was, “To create a roadmap for building a world-class education system that prepares all Washington students to succeed in today’s global economy.” To reach this goal the commission focused on developing a fully integrated prekindergarten through post-secondary education system, ensuring that all children are prepared to enter school, ensuring that all students master the skills necessary in today’s world, closing the achievement gap, and making higher education and workforce training relevant in the global economy. Washington Learns issued an interim report in 2005, that included the following recommendations: (1) improve quality and availability of early learning programs, (2) invest in intensive support for high school students not reaching standards and in materials for teachers, (3) reduce the dropout rate and help students prepare for college or postsecondary work or job training, and (4) develop a statewide student information system (Washington Learns 2005). Following the release of this report, the legislature created a cabinet-level Department of Early Learning, passed programs and funding to help high school students achieve graduation standards, created mentor and apprenticeship programs that help middle and high school students prepare for life after graduation, and provided funding for development of a longitudinal student data system.

In early October 2006, Washington Learns released a draft final report, which contained a broad list of recommendations, but did not tackle the tough issues of revising the definition of a basic education, addressing structural problems in the state finance system (i.e., equity, adequacy, efficiency, and revenue issues), and developing a system linking pay to performance.

On November 13, 2006 the Washington Learns Committee issued its final report entitled *Washington Learns: World-Class, Learner-Focused, Seamless Education*. In the report, the committee identified five principles aimed at developing a world-class, learner-focused, seamless education system: (1) share accountability for continuous improvement; (2) tailor education to fit the needs of individuals; (3) bring creativity into the classroom; (4) engage parents, communities, and private partners; and (5) commit the necessary human and financial resources. Drawing upon these principles and expanding upon the recommendations in the draft report, the final report identified five initiatives for developing a world-class education system in Washington. The report also identified strategies for each of these initiatives and assigned tasks to various governmental entities for each of the strategies. The initiatives and strategies that relate to K-12 education include:

- Early learning: create a cabinet-level department of early learning, support public-private partnerships, improve availability of parenting information, improve the safety and well-being of children in early education programs, phase in a

voluntary rating system, expand teacher training, develop and implement a kindergarten readiness assessment tool, phase in voluntary all-day kindergarten, prioritize additional I-728 funding to reduce K-3 class size.

- Math and science: develop math and science materials to train early education teachers, bring world-class math and science into classrooms, build expertise in math and science teaching, use public-private partnerships to get students excited about math and science, partner with after-school programs to support math learning.
- Personalize learning: expand and make the most of learning time, improve learning opportunities for English language learners, establish programs to reach dropouts, increase opportunities for career and technical education, create training programs for mentors and instructional coaches, focus on special education students, launch a public-private campaign to promote creativity and innovation.
- Quality and accountability: create a P-20 council to track progress toward goals, benchmark performance and funding, develop a financial health monitoring system and a meaningful accountability system, develop a professional preparation and pay system, expand and improve professional development, develop a public-private partnership to establish a leadership academy.

While in this report the commission made some recommendations that could result in large-scale changes to the current K-12 education system in Washington (e.g., a new accountability system, new pay system incorporating performance elements, new math and science standards), they again sidestepped the issue of the structural deficits of the finance system. Instead, they proposed that over the next two years the Washington Learns Steering Committee issue recommendations for a revised K-12 funding model that is clear and transparent and performance-based and that identifies the investment necessary to meet performance expectations. The report also recommends incorporating the new funding model in the definition of a basic education and developing a 10-year implementation plan for the new funding model.

Demographic Challenges

During the past decade, both the general population and K-12 enrollment in Washington have increased, resulting in higher student-to-teacher ratios than in many other states (National Education Association 2006). Accompanying this growth in the general population, the percentage of students in special education in Washington has increased from 10.9 percent to 12.4 percent of students over the past 10 years (Washington State Office of Superintendent of Public Instruction 1996-2006). Washington has also experienced increases in the numbers and percentages of English language learners, which increased from 4.8 percent in 1996 to 7.4 percent in 2006, and students receiving free/reduced-price lunches, which increased from 31 percent in 1996 to nearly 37 percent in 2006.

A special challenge associated with the English language learner population is the large number of languages spoken by this population. In Washington in 2001-2002, 2 to 10 languages were spoken in 50 percent of school districts, 11 to 50 languages were spoken in 23 percent of school districts, and more than 50 languages were spoken in 4 percent of school districts (Washington State Institute for Public Policy 2005). In all, over 160 different languages are represented in Washington schools.

A different challenge is presented by a handful of rural districts that contain up to 100 percent Hispanic populations (National Center for Education Statistics 2004-2005). In approximately 25 districts, English language learners make up over 20 percent of the population, with 5 districts containing over 50 percent English language learners. These same districts have even higher Hispanic populations, consisting of children formerly considered English language learners, and large percentages of students eligible for free/reduced-price lunch.

Political Environment

Washington state elections favor Democrats. In 1977, the year of the *Doran I* decision and passage of the BEA, Democrat Dixy Lee Ray was governor of Washington. Ray was defeated in the 1980 primaries by Democrat Jim McDermott, and McDermott was in turn defeated by Republican John Spellman. A weak economy and a serious recession helped the Democrats regain the governorship in 1984 with the election of Democrat Booth Gardner, who was re-elected in 1988. Governor Gardner initiated education reform in the state with the formation of the Governors Council on Education Reform and Funding (GCERF). With the subsequent elections of Mike Lowry (1992), Gary Locke (1996, 2000) and Christine Gregoire (2004), a member of the Democratic Party has held the Governorship in Washington for over two decades. However, the current Democratic Governor Christine Gregoire was elected in 2004 in one of the closest races in U.S. election history. Governor Gregoire has made education one of her priorities and was instrumental in the establishment of the Washington Learns Committee.

The 2007-2008 Washington Legislature consists of 32 Democrats and 17 Republicans in the Senate and 63 Democrats and 35 Republicans in the house. This strong Democratic majority resulted from Democratic gains in both the house and senate, mirroring Democratic gains on the national stage. While Washington has historically leaned Democratic, Republicans have controlled the house and senate at various times and have also at times held enough seats to create a closely divided legislature.⁶⁹

National elections also favor Democrats. During the 1970s and 1980s, Washington state tended to favor Republicans in presidential elections; however, that changed in the late 1980s. Washington has voted for the Democratic candidate in the every presidential election since 1988 (Politics-Now 2006).

Washington's U.S. Senate seats have either been held by Democrats or split between the two parties for the last three decades. During the 1970s, Washingtonians sent two Democrats to the U.S. Senate. In the 1980s and 1990s, Washington's U.S. Senate seats were generally split between the parties, with the exception of two sessions in the early 1980s when both U.S. Senators were Republicans. However, in the late-1990s, Democrats again gained control of Washington's U.S. Senate seats. Democrat Patty Murray was elected to the U.S. Senate in 1992

⁶⁹ Democrats held a firm majority in the Senate through the 1970s, commanding a 10-seat majority in 1977 during the passage of the BEA (State of Washington 2005). With the exception of a few sessions of Democratic control (1985-1986, 1993-1994, 1999-2000), the Washington Senate was closely divided through the 1980s, 1990s and early-2000s. However, in 2005-2006, the Democrats made some gains (26 Democrats v. 23 Republicans) and gained a firm majority in the last election. Control of the Washington House has rested primarily with the Democrats since the early-1970s, with a 30-seat majority in 1977. However, Republicans were able to win a majority of seats during the 1981-1982, 1995-1996, and 1997-1998 sessions and controlled enough seats in 1979-1980, 1999-2000, and 2001-2002 to produce an equally divided house. Democrats regained a majority in the House in 2003-2004 (52 Democrats and 46 Republicans) and have managed to increase that majority in the last two elections.

and was re-elected by a large margin in 1998 and 2004. Democrat Maria Cantwell was elected to the U.S. Senate in 2000 and re-elected in 2006.

With the exception of two years in the mid-1990s, Washington has sent more Democratic than Republican representatives to the U.S. House of Representatives. Since 2001-2002, six of Washington's nine U.S. representatives were Democrats.

Union power is influential in Washington. The Washington Education Association (WEA) began as a statewide organization in 1889 representing teachers and administrators (Washington Education Association 2006). In 1965, the legislature passed the Professional Negotiations Act, a one-page law requiring school boards to confer and negotiate with elected employee groups prior to final adoption of key policies. School boards resisted the confer requirement, feeling it was an infringement on their authority. Teachers in turn referred to the confer activities as professional negotiations, not collective bargaining. Despite the fact that the Professional Negotiations Act contained few of the standard features of a collective bargaining law, it did contain the word “bargain,” and over time the process began to look more and more like collective bargaining.

In 1967, the legislature passed a collective bargaining law for classified school employees and the support staff. The law prescribed that contracts cover “wages, hours and other terms and conditions of employment.” Despite this law, several school boards still refused to sign agreements with teacher unions. In the 1980s, WEA accelerated its field staff program, the Uniserve program, which worked aggressively to expand bargaining, providing small locals with the resources once available only to locals in large districts. At this same time, administrators moved out of the WEA. Entrenched resistance to bargaining resulted in teacher strikes in the early 1970s, and the resolution of these strikes typically resulted in bargained agreements. By 1975, it was clear that new legislation was needed to regulate the process, so the legislature passed the Education Employment Relations Act giving teachers collective bargaining rights.

Following the passage of this act, the WEA worked to increase the power of the local unions by devoting a major portion of their time to organizing locals to bargain and coordinating their bargaining on a regional basis, allowing a breakthrough by one local to be repeated by others. Because of the limits placed on bargaining by the salary schedule, local unions often negotiate for other concessions.⁷⁰

The majority of school districts in Washington State have collective bargaining agreements with teachers unions (National Center for Education Statistics 1999-2000). In 1999-2000, 98 percent of districts had such agreements (the number was lower in 1993-1994 at 74.5 percent). Also, in 1999-2000, 97 percent of teachers in Washington reported that they were part of a teachers union or similar employee association.

Economic and Budget Climate

By many economic measures Washington historically ranks above national averages:

- Washington's per capita personal income has been higher than the nation's as a whole in every year since 1980. Income from stock options and software industry

⁷⁰ Washington's Salary Control Act limits local collective bargaining pertaining to salaries by placing a floor for beginning teachers and ceilings on average teacher compensation (Washington State Office of Superintendent of Public Instruction 2006a). However, supplemental contracts for additional time, additional responsibilities, and incentives (TRI) provide an avenue for districts to provide additional compensation (RCW 28A.400.200(4)).

wages helped boost Washington's per capita income in the late 1990s to approximately \$3,000 above the national average (Washington Office of Financial Management 2005).

- With respect to average wages, Washington workers started the 1980s in much better condition than the U.S. overall. But, by the late 1980s, Washington wages had dropped below the U.S. average as some high-paying production shifted abroad and high interest rates depressed demand for durable goods. By 1989, however, real average wages started rising again thanks to growth in aerospace employment and foreign trade. In the mid- and late-1990s, software and other high tech industry wages, along with stock options, helped increase Washington's average wage well above the national average (Washington Office of Financial Management 2006).
- From 1980 to 2000, Washington's wage and salary employment gains far outpaced the nation, growing by 62 percent (versus 40 percent for the nation). This was true in every major industry division except for agricultural services, forestry, and fishing (Washington Office of Financial Management 2006).
- Manufacturing employment in Washington grew by 14 percent from 1980 to 2000 while U.S. manufacturing employment fell by 9 percent. Washington employment in mining, transportation and public utilities, wholesale trade, retail trade, and services grew 50 percent faster than U.S. employment in the same sectors (Washington Office of Financial Management 2006).
- In general, changes in Washington's unemployment rate track closely with national trends, but historically the difference between the state and the U.S. usually widens during economic downturns because of the relatively high concentration of resource-based and seasonal industries in the state (i.e., higher unemployment for the state than the nation as a whole) (Washington Office of Financial Management 2006).

Both Washington and the nation experienced low-employment growth and increased periods of unemployment during the early 1980s, 1990s, and early 2000s due to national recessions. As detailed below, in the most recent recession, Washingtonians faced the repercussions of slow growth and unemployment to a greater extent than the nation as a whole and experienced these repercussions well beyond the "official" end of the recession.

Job losses and income stagnation plague the early 2000s. Washington's economy was booming in the 1990s, thanks in part to the success of many Seattle area dot-com companies. However, recession hit the state hard in the late 1990s and early 2000s (Washington State Office of Financial Management 2003):

- Employment in Washington declined 2.8 percent (75,000 jobs) in 2001. The employment rate hit bottom in April of 2002, remained low through the end of that year, and experienced a renewed weakness in 2003. From 2001 to 2003, Washington lost 3.2 percent of its job market, a more significant decline than the national average of 1.3 percent.

- Before the recession, unemployment in Washington was fairly low at 5.5 percent. During the recession, the state unemployment rate climbed for five quarters, peaking in April 2002 at 7.7 percent.
- In the late 1990s, inflation adjusted per capita income grew more than 6 percent a year. This ended in 2000, as income growth slowed to 0.5 percent. In 2001, the state's per capita income actually declined by 0.7 percent before rebounding to 1 percent growth in 2002.

Washington sees signs of recovery by 2005. Recently, the state has seen some signs of recovery, fueled by healthy consumer spending and a strong housing market (Romano 2006).

- By April 2005, the state had regained all of the jobs lost since the peak employment in December 2000. In October 2005, Washington senators announced \$113.5 million in job-creating defense contracts for Washington State.
- By April 2005, unemployment was at the lowest level in 4 years, and the unemployment rate was the same as the national rate for the first time since 1998.
- In 2004, Washington's per capita income grew by 5.6 percent.

State budget has also seen some relief following long-term deficits. In 2001, the Washington Legislature was feeling budget pressure from rapid healthcare cost increases, the passage of two initiatives with large fiscal impacts (I-728 and I-732), a slowdown in the economy, and a major earthquake (State of Washington: Legislative Evaluation & Accountability Program Committee 2001). The budget pressures were relieved by a reduction in contributions to the state's pension systems and a large one-time increase in federal revenues. After the terrorist attacks of September 11, 2001 and as the recession accelerated, the state's fiscal condition deteriorated rapidly, resulting in a decrease in projected revenue of \$900 million (State of Washington: Legislative Evaluation & Accountability Program Committee 2002). This, along with additional expenditures associated with K-12 enrollment increases, levy equalization, and medical cost increases for special populations, resulted in a \$1.5 billion deficit in the operating budget. During the 2002 session, the legislature addressed this gap by reducing appropriations (including \$90 million in K-12 education spending), increasing taxes, using revenue from the national tobacco settlement, and dipping into the emergency reserve account.

In 2003, the ongoing recession resulted in below average forecasted general fund revenue while operating costs, including K-12 COLA costs, continued to grow (State of Washington: Legislative Evaluation & Accountability Program Committee 2003). This created a \$2.7 billion deficit in the operating budget for the 2003-2005 biennium. The legislature addressed this budget gap by reducing spending across all program areas, including canceling raises for teachers and other state employees (I-732 COLA) and reducing appropriations for the Student Achievement Fund (I-728). The legislature also dipped into emergency reserves and dedicated fund balances and increased certain taxes.

For the 2005-2007 biennium, the state again confronted an operating budget shortfall, this time totaling approximately \$1.8 billion (State of Washington: Legislative Evaluation & Accountability Program Committee 2005). This gap resulted primarily from growth in entitlement programs (primarily medical assistance), increased pension obligations, requests for employee cost-of-living increases, requests to expand higher education enrollment, and proposals to reverse some funding decreases in prior budgets. The legislature addressed the deficit by

increasing revenues, adopting program reductions, and using reserve funds. The new revenues, which primarily funded I-728 increases and additional college enrollments, were created through re-enactment of the estate tax and adoptions of an additional cigarette tax.

By 2006, Washington's fiscal situation had improved significantly, resulting in a positive operating fund balance of \$1.6 billion (State of Washington: Legislative Evaluation & Accountability Program Committee 2006). Based on this balance, the legislature increased spending by \$520 million and transferred most of the remaining balance into the Pension Funding Stabilization Account, the Student Achievement Account (I-728), and the Health Services Account.