

No Accounting for Fairness

Equitable Education Funding
Remains Elusive in Ohio



The Education Trust

TO THE POINT

- Long-standing budgetary and teacher-compensation practices are undermining policies intended to ensure funding equity between schools within the same districts.
- In 11 of Ohio's 14 largest districts, average teacher salaries are lower in schools with the highest concentration of students from low-income families than in schools with the fewest low-income students.
- Districts are not providing nearly as much additional money for instruction in the state's highest poverty schools as state and federal policymakers intended to provide.
- Ohio should mandate school-level financial reporting and implement a funding system that allocates resources to schools based on student needs.

In Ohio, federal and state funds specifically intended to boost the achievement levels of students from low-income families often do not end up in the schools these students attend. Unless elected officials and educators squarely address this problem, Ohio is unlikely to close achievement gaps that separate low-income students from their more affluent peers. A system that targets funds to schools enrolling students with extra needs would be a positive step toward the goal of equal opportunity.

No Accounting for Fairness

Equitable Education Funding Remains Elusive in Ohio

BY ROSS WIENER

Nothing is more central to America's commitment to fairness than our public schools. Ohio has extended this commitment by investing significant new resources in its highest poverty school districts to ensure students in those districts receive extra help to overcome their disadvantages. These resources, along with improved policies regarding standards, accountability, and teacher quality, ought to help boost student achievement in the Buckeye State.

But there is a problem: Some school districts aren't following through on state efforts to target the money. Consequently, many students in Ohio schools with the highest poverty rates are not receiving the additional opportunities they need and deserve.

An examination of which schools receive the most money for teacher salaries from their districts finds that many high-poverty schools are not being treated fairly. This circumstance occurs when districts that receive extra federal and state dollars intended to benefit poor children do not spend those funds in the schools with the greatest numbers of children living in poverty. As a result, teachers in the highest poverty schools often are asked to do more with less, even though federal and state policymakers intended that extra dollars would help such students. Even in cases in which high-poverty schools receive a little more than other schools for teacher salaries, the additional funding is so meager that it does not provide the extra help students need—and that state and federal policymakers have allocated for their benefit.

Fair funding of schools is a serious issue. What's at stake is whether hundreds of millions of dollars in public money intended to help low-income students actually is spent in the schools they attend.

This report shares data on Ohio's progress in education funding and the challenges that remain. It shows, through an analysis of teacher salaries, how federal and state funds specifically intended to boost the achievement levels of students from low-income families often do not end up in the schools these students attend. This is not fair to students, and it is not fair to their teachers. Unless this problem is addressed, it will undermine federal and state policies that were established to ensure equitable education funding and will hobble Ohio's effort to close achievement gaps that separate low-income students from their more affluent peers.

KUDOS FOR PROGRESS, BUT HARD WORK REMAINS

Over the last decade, Ohio has made great progress in addressing disparities in resources across school districts. In 2000, districts with the highest concentrations of students living in poverty received slightly less state and local funding than their wealthier counterparts. By 2006 (the most recent year for which data are available), Ohio districts with the highest poverty rates received \$883 *more per pupil* in state and local funds than the districts with the lowest poverty rates.¹

One way Ohio targets resources toward funding equity is through the state's Poverty-Based Assistance program. The program allocates approximately 20 percent in additional funding per student to major urban districts with high-poverty rates and almost 10 percent in additional funds per student to other urban and rural high-poverty districts. In total, Ohio appropriated nearly \$460 million for this purpose in fiscal year 2008.²

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Although \$460 million may not represent enough additional funding to fully meet the needs of students in the highest poverty districts, the state is justified in taking pride in this progress. Indeed, from 2000 to 2006, Ohio is one of only three states (the others are Maryland and Wyoming) that went from providing fewer funds to greater funds to their highest poverty school districts.

In addition to these extra state dollars, the federal government provides more than \$1,500 per low-income student in Ohio through the Title I program (amounting to more than \$490 million in 2007). It also adds more than \$100 million per year in teacher-quality grants through Title II of the Elementary and Secondary Education Act, which is intended to address disparities in teacher quality in high-poverty schools and districts.³ Given that spending in Ohio averages approximately \$10,000 per student,⁴ these federal funds provide a boost of approximately 15 percent to educate students from low-income families, in addition to the extra funding the state provides.

Taken together, these federal and state investments should provide significant additional resources to educate students growing up in poverty. Research from across the country suggests, however, that school districts often redirect funding intended to help low-income students in order to subsidize higher per-student spending in schools with more-affluent students.⁵ We set out to determine whether

this was happening in Ohio.

This problem of inequitable distribution of funding *within* school districts is just as important as inequitable funding *between* school districts, but it receives less attention. The reason? No one can say with certitude what happens to federal and state funds as school districts disburse them to individual schools because these dollars aren't reported discretely at the school level.

A 2007 audit and improvement blueprint completed by the consulting firm McKinsey & Company concluded that "[a]lmost no usable fiscal data exists on Ohio's schools because there is very little statewide standardization of school-level fiscal data entry. Districts are free to set their own accounting standards when they enter data on school expenditures."⁶

One area in which reliable financial data are available is expenditures on teacher salaries at the school level. Unfortunately, an analysis of these data suggests that something is wrong in the way funds move from *school districts* to *individual schools* in Ohio.

LOW-PAID TEACHERS ARE CONCENTRATED IN HIGH-POVERTY SCHOOLS

Comparing average teacher salaries between high-poverty and low-poverty schools is one important way of determining whether resource equity exists. In elementary schools in

Table 1: Gaps in Average Teacher Salaries Between the Highest Poverty and Lowest Poverty Elementary Schools

(Ohio's 14 largest districts for the 2007-08 school year)

School district	Average teacher salary in elementary schools serving the <i>most</i> low-income students	Average teacher salary in elementary schools serving the <i>fewest</i> low-income students	Salary gap*
Akron	\$59,783	\$64,702	-\$4,919
Canton	\$50,651	\$57,047	-\$6,397
Cincinnati	\$61,243	\$63,880	-\$2,637
Cleveland	\$63,523	\$63,727	-\$204
Columbus	\$61,600	\$63,109	-\$1,509
Dayton	\$51,760	\$53,007	-\$1,247
Dublin	\$64,213	\$63,340	\$873
Hilliard	\$61,719	\$64,430	-\$2,711
Lakota	\$55,735	\$54,041	\$1,695
Olentangy	\$50,033	\$56,279	-\$6,246
Parma	\$63,329	\$59,652	\$3,677
South-Western	\$57,480	\$59,119	-\$1,639
Toledo	\$50,345	\$53,779	-\$3,435
Westerville	\$60,218	\$67,394	-\$7,176

* A negative number indicates that the average teacher salary in the highest poverty elementary schools was lower than the average teacher salary in the lowest poverty elementary schools.

Ohio and elsewhere, teacher salaries constitute 80 percent to 90 percent of instructional expenditures.⁷ Because teacher salaries account for such a large proportion of overall expenditures, inequities in teacher salaries may signal larger problems in school funding.

Among Ohio's 14 largest districts, only three—Dublin, Lakota, and Parma—had higher average teacher salaries in their highest poverty elementary schools in the 2007-08 school year (see Table 1 on page 4). In contrast, teachers in the highest poverty elementary schools in Akron earned an average of \$4,919 *less* than their counterparts in the city's elementary schools that serve the fewest low-income students. And in Dayton, the comparable figure was \$1,247 less for teachers in the highest poverty elementary schools.

In fact, in 11 of the 14 largest districts in Ohio, the average teacher salary was lower in the schools with the highest concentration of students from low-income families than in schools within the same district with the fewest low-income students. (The adjacent sidebar and Table 2 detail the methodology and average percentage of low-income students in the districts' highest and lowest poverty schools.⁸)

How does this happen? As teachers accrue experience and credentials, they generally earn higher pay and greater ability to choose where they teach. Higher paid veteran teachers often choose to teach in schools with more-affluent students, perhaps believing these schools pose fewer difficult challenges. When these teachers move to such schools, their larger salaries follow them, and the positions they vacate in high-poverty schools most often are filled with less experienced—and thus lower paid—teachers.

Because school district accounting practices do not charge individual school budgets for differences in teacher salaries (schools typically are allocated staff *positions*, not staff *budgets*), this allows schools serving more affluent neighborhoods to employ a disproportionate share of the highest paid teachers, without regard to budgetary implications. Consequently, the district spends more per teacher in more affluent schools than in high-poverty schools, leaving such schools with a disproportionate share of the district's lowest paid teachers.

COMPENSATING BY REDUCING CLASS SIZE?

One way some districts address the budgetary implications of placing disproportionate numbers of the lowest paid (often novice) teachers in the highest poverty schools is to place *more teachers* in these schools—a practice that

Ohio's Poorest Students Attend Classes In Their Districts' Highest Poverty Schools

Table 2 below shows the concentration of elementary school students from low-income families in each of Ohio's 14 largest school districts, as measured by the percentage of students whose family incomes are below the poverty line, as reported in the district's Title I application. The middle column shows the average percentage of low-income students enrolled in the poorest quartile of each district's highest poverty elementary schools; the last column shows the average percentage of low-income students attending schools in the most affluent quartile of schools. Quartiles contain approximately the same number of students.

Table 2: Percentage of Low-Income Students in the Highest Poverty and Lowest Poverty Elementary Schools

School district	Percentage of low-income elementary school students in the district's <i>highest</i> poverty schools	Percentage of low-income elementary school students in the district's <i>lowest</i> poverty schools
Akron	93%	45%
Canton	93%	57%
Cincinnati	95%	46%
Cleveland	96%	77%
Columbus	95%	57%
Dayton	84%	56%
Dublin	30%	1%
Hilliard	32%	8%
Lakota	21%	7%
Olentangy	14%	1%
Parma	46%	24%
South-Western	73%	26%
Toledo	96%	46%
Westerville	47%	9%

can have the effect of lowering class sizes. Placing a greater number of lower paid teachers in the highest poverty schools allows a district to spend as much or more on total salaries in such schools as in more affluent schools.

Table 3 on page 6 shows that, indeed, nine of the 14 districts have lower average class sizes in their highest poverty schools than in their lowest poverty schools, though the differences often are so small they are unlikely to make much difference.⁹ Five school districts (Cleveland, Cincinnati, Olentangy, Lakota and Parma) have slightly *higher* class sizes in the highest poverty schools.

Ohio school districts are not providing nearly as much additional money for instruction to the state’s highest poverty schools as state and federal policymakers intended.

Improving the student-teacher ratio can make school budgets look a little fairer, but it certainly doesn’t help the children much. Only Hilliard and Westerville come close to reducing class size significantly—that is, by five or more students per teacher. Most districts have reduced student-teacher ratios only by one or two students per teacher. Some schools also serve larger percentages of students with disabilities, which should reduce student-teacher ratios. (The table in Appendix A on page 10 shows the gap between the districts’ highest and lowest poverty schools in the average percentage of disabled students.)

Reducing class size remains popular, at least in part because it just seems to make sense that if teachers have fewer students, then they can be a lot more effective. But the research on this issue does not suggest that minor reductions in class size produce higher student achievement. Indeed, research suggests that other interventions may be more effective in helping teachers and students.¹⁰ It is important for policymakers and parents alike to understand the research regarding the use of class-size reduction as a strategy to improve achievement and close gaps between groups because there are significant trade-offs to consider. (The sidebar on page 8 addresses this issue.)

EXAMINING SALARY DOLLARS PER STUDENT

Examining the differences in average teacher salaries or class sizes are two ways to gauge a district’s commitment to educational equity. But the big question is how these factors add up in examining the amount of money spent on teacher salaries per student. Table 4 on page 7 shows that districts are not providing nearly as much additional money for instruction in the state’s highest poverty schools as state and federal policymakers intended.

Some districts actually are spending *less* per pupil in their highest poverty schools, even though their low-income

students generate the most money from state and federal sources. In fact, four of the 14 districts (Cleveland, Cincinnati, Dayton, and Olentangy) have lower average teacher salaries *and* lower per-pupil spending on teacher salaries in their highest poverty schools.

Even in the districts that are spending slightly more per pupil on teacher salaries in their highest poverty schools, the additional amounts are minimal and do not come close to providing the extra per-pupil allocations envisioned or allowed in federal and state programs. For instance, Toledo spends an additional \$340 per pupil on teacher salaries in its highest poverty schools, a figure that represents much less than the supplemental funding from federal and state sources that its low-income students generate. Given Toledo’s average per-student expenditure of more than \$11,000 per student, an additional \$340 in teacher salaries represents less than 3 percent in additional funds in the highest poverty schools. Even considering only what Toledo reports as “instructional expenses,” the extra \$340 in per-student expenditures in high-poverty schools represents only about 5 percent in additional funding in those schools.¹¹

No clear pattern exists in per-pupil spending on salaries related to district size or locale: Some of the suburban districts have the biggest gaps, while others spend the most in additional salary dollars in their highest poverty schools; the

Table 3: Difference in Class Size Between the Highest Poverty and Lowest Poverty Elementary Schools

School district	Class-size differential *
Akron	-1.68
Canton	-2.87
Cincinnati	0.27
Cleveland	0.53
Columbus	-0.85
Dayton	-0.11
Dublin	-1.60
Hilliard	-4.55
Lakota	0.24
Olentangy	0.04
Parma	0.26
South-Western	-1.87
Toledo	-2.32
Westerville	-4.61

* A positive number indicates a greater number of students per teacher in the district’s highest poverty elementary schools.

same is true for large, urban districts. For example:

- Four districts (Cleveland, Cincinnati, Dayton, and Olentangy) do not even spend as much per student on teacher salaries in their highest poverty elementary schools as they do in their lowest poverty elementary schools; Olentangy spends significantly less.
- Canton, Columbus, and Lakota are spending almost the same on teacher salaries on a per-student basis in their highest poverty and lowest poverty elementary schools.
- Dublin, Hilliard, and Westerville each spend more than \$400 more per student on teacher salaries in their highest poverty elementary schools.

These disparities in per-pupil spending on teacher salaries can have a big impact on a school’s budget. Consider, for example, the circumstances of Clark Elementary school in Cleveland. Ninety-eight percent of the 579 students come from low-income families. The district spends \$3,621 per pupil in teacher salaries at Clark Elementary,¹² which is \$978 less than the average per-pupil expenditure in teacher salaries in the city’s elementary schools serving the fewest low-income students.¹³ If Cleveland were to allocate the same per-pupil funding to teacher salaries at Clark Elementary as it does in the city’s lowest poverty elementary schools, Clark Elementary would receive *more than \$566,250 more per year*—money that could go a long way to improving the quality of instruction in the school.¹⁴

Of course, school districts might be targeting additional resources to high-poverty schools in ways that are not reflected in the salaries of teachers and other professional staff. For instance, some schools might be providing additional after-school learning time or other supplemental services. However, meticulous studies conducted in school districts across the country by Marguerite Roza at the Center for Reinventing Public Education suggests that this is unlikely to be the case. Indeed, most school districts not only spend less on teacher salaries in their high-poverty schools, but they also spend less of their special program funds and other discretionary resources in their highest poverty schools.¹⁵

The Ohio data raise serious concerns about the use of funds specifically appropriated to supplement the opportunities provided to students from low-income families. Clearly, because school districts are diluting the benefits intended by federal and state policymakers, students in Ohio’s highest poverty schools are not receiving the additional opportunities they need and deserve.

SCHOOLS NEED FUNDING EQUITY AND GREATER FLEXIBILITY

Common sense tells us that schools will require extra resources if we expect them to educate children from low-income families to the same high standards and achievement levels as their more affluent peers. Extra resources for high-poverty schools that are built into federal and state budgets, however, are not finding their way to the highest poverty schools—at least not according to teacher-salary allocations.

Of course, spending money wisely and focusing resources in ways that will get the most educational bang for the buck are just as important as how much money is spent. Right now, an individual school typically has little discretion or control over how money is spent in that school—and this should change. For example, most districts tell schools how many teachers they can hire, and those teachers are paid by formula. A school with a mostly junior staff does not receive any additional money for these teachers’ induction and professional development. Likewise, a principal or school leadership team cannot decide to invest more in curriculum and diagnostic support materials and less in veteran teachers, because school district budgets do not allow for these kinds of trade-offs.

Table 4: Differences in Per-Pupil Spending

School district	Difference in per-pupil spending on teacher salaries between highest poverty and lowest poverty elementary schools*
Akron	\$168
Canton	\$56
Cincinnati	-\$182
Cleveland	-\$227
Columbus	\$23
Dayton	-\$50
Dublin	\$484
Hilliard	\$447
Lakota	\$15
Olentangy	-\$346
Parma	\$183
South-Western	\$203
Toledo	\$340
Westerville	\$559

* A negative number indicates that per-pupil spending on teacher salaries is lower in the highest poverty elementary schools.

Good school leaders focus on recruiting and keeping strong teachers, because the research is clear that nothing in a school matters more. Yet state and district policies do not allow principals to work with teachers in their own schools to make different choices. For one thing, Ohio requires school districts to have a single-salary schedule for all teachers, with lock-step increases based on experience.¹⁶

The Class-Size Reduction Controversy

Some of Ohio's 14 largest school districts have used federal and state funds to reduce class sizes. In fact, many of the districts have spent considerable portions of the funds available to them under the state's Poverty-Based Assistance program to reduce class sizes (see Table 3 on page 6). But is this investment a wise use of limited resources?

The best known research on class-size reduction comes from the Tennessee Student-Teacher Achievement Ratio (Tennessee Project STAR). Researchers found that class-size reduction had some small positive effects. However, these efforts were aimed at the early grades (K-3), and classes of 13-17 students were compared with classes of 21-25 students—a much more substantial reduction than Ohio's 14 largest districts have implemented.

Other research shows that improving the quality of teachers and teaching is a far better strategy to yield improved student achievement, particularly for low-performing students. According to data from a North Carolina study, employing teachers with strong credentials can have eight times the impact of reducing class size by five students.[†]

Further, recent data on class size in four countries, including the United States, suggest that teachers do not change their approach to instruction in response to class-size reductions—underscoring a need to focus on the quality of the instructor and instruction, rather than the number of students.[‡]

Finally, researchers recently released an analysis of the long-term effects of class-size reductions in Tennessee. They found that reducing class size was not an effective policy for reducing achievement gaps; the benefits of class-size reduction were stronger for already high-achieving students and not as helpful for low-achieving students.* It seems most sensible, then, to put the money where the benefit lies and invest wisely in improving the effectiveness of teachers, particularly those assigned to teach students in the highest poverty schools.

† Charles T. Clotfelter, Helen F. Ladd, and Jacob L. Vigdor, "Teacher Credentials and Student Achievement in High School: A Cross-Subject Analysis with Student Fixed Effects," Working Paper 11, National Center for Analysis of Longitudinal Data in Education Research (2007). Available at www.caldercenter.org/PDF/1001104_Teacher_Credentials_HighSchool.pdf.

‡ Adam Gamoran, quoted in Greg Toppo, "Size alone makes small classes better for kids," *USA Today*, March 24, 2008. Available at www.usatoday.com/news/education/2008-03-24-small-classes_N.htm.

* Spyros Konstantopoulos, "Do Small Classes Reduce the Achievement Gap between Low and High Achievers? Evidence from Project STAR," *Elementary School Journal* (March 2008). Available at www.journals.uchicago.edu/toc/esj/2008/108/4.

This does not allow a school to pay a teacher more if that teacher's skills are scarce (such as a background in math or science) or if the teacher is especially effective. Instead, schools are forced to pay teachers higher salaries based on a rigid scale that looks only at longevity and graduate degrees, which sometimes correlate with better teaching and sometimes do not.¹⁷

School districts exacerbate the limitations of the single-salary schedule by allocating teaching and other staff positions to schools, rather than telling schools how much money they have to spend and letting the schools decide on the most important areas for additional investment. This provides incentives for every principal to hire the most experienced and most expensive teachers without regard to the budgetary implications. That's because even if principals have mostly junior teachers who need more help and support, their schools do not receive additional funds from the district. Moreover, school leadership teams cannot consider trade-offs between teacher salaries and other ways of spending money to support teaching and learning.

For example, principals cannot decide to hire fewer support staff and more teachers (as is typical in charter schools and private schools).¹⁸ In traditional public schools, principals who do not hire the most expensive teachers they can simply lose that funding to other schools with more expensive teachers. We need to empower innovation among school leaders (principals and teachers) to better utilize scarce resources, but right now there is little control and no incentive at the school level even to explore the possibilities for reform.

School districts need to create innovative compensation practices based on the challenges teachers accept and the contributions they make (or allow schools to innovate in these ways). Freed of the constraints of a lock-step teacher-salary system, a shrewd principal might choose to provide significant retention bonuses to the most effective new teachers (research, in fact, suggests that some new teachers are remarkably effective), while the leadership team at another school might choose to employ more faculty with lower average salaries and use the resources this frees to support the professional development of those teachers and extended learning time for the students. Such practices are not possible given current restrictions on how districts allocate money to schools.

RECOMMENDATIONS

In addition to completing the job of ensuring that all high-poverty districts have the extra resources they need to educate their children to high standards, Ohio should adopt two complementary strategies to promote funding equity at the school level. First, districts should be required to report school-level expenses to the state. And second, the state should enlist school districts as partners in pursuing fiscal equity, moving as rapidly as possible to allocate resources to schools based upon student need.

Mandate school-level financial reporting.

Accuracy and consistency in school-level budget reports is essential if Ohio is to assess the effectiveness of funding-equity policies. School districts now have discretion in the ways they account for various expenses, and they are not required to report school-level data to the state. The lack of consistent and transparent accounting for expenses at the school level means that policymakers and the public are in the dark when it comes to assessing the impact of efforts to target resources to specific students and schools. The school funding subcommittee of the Ohio State Board of Education recently recognized this when it called for “more rigorous accounting at the building level” as a cornerstone for better school-funding policies.²⁰ Common accounting definitions and templates as well as reporting requirements would enable the state to assess whether districts and schools are targeting funds effectively to the students with the greatest needs.

Implement “fair” student funding.

Ohio should ensure that funds allocated to individual schools align with identified student needs in the same ways the state has targeted its funding to districts. Implementing a system of student-based funding, in which students with extra needs (such as English Language Learners or students with disabilities) are “weighted” a little more heavily in the funding formula, at least would ensure that fiscal resources are commensurate with the goal of equal opportunity. It is important to recognize that funding equity at the school level is necessary to ensure fairness, though clearly not sufficient to improve educational outcomes. But as the Ohio State Board of Education has noted, “If building-based budgets—including the amounts paid specifically for the teachers in those buildings—are

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not developed based on the needs of the students in those buildings, students with greater needs are likely to be neglected.”²¹

How would this work in practice? Under a student-based funding system, a district would send funds to schools based on the characteristics of the children each school serves. Students with certain characteristics (for example, low-income, English Language Learner, special education, or gifted students) would be weighted more heavily. This means that a school that serves more English Language Learners, for example, would receive additional funding for each of those students. Funding, in other words, would follow the child to ensure that an individual school received funding that reflected the needs of its students.²²

Moving to fairness in school-level funding will require sensitivity to the schools, communities, and teachers involved, and at least two important safeguards could help foster smooth implementation.

- First, there should be a phase-in period to ensure that there are not sudden changes in any school’s budget.
- Second, current teachers should be assured that they can continue to teach in their current schools. In addition, school budgets should be bolstered to support the existing faculty and staff, at least for a few years. The combination of naturally occurring retirement and job switching will create opportunities to balance budgets between schools without any transfers or cuts.

Ohio state law requiring a single, lock-step salary schedule also should be reexamined, for it unwittingly may be stifling innovation. School districts need to explore new budgeting mechanisms and innovative compensation systems, and state law should not get in the way.

Even with a prudent phase-in period, principals will need help in being more strategic with their budgets. How money is spent matters a lot in terms of school effective-

ness, but current policies severely limit principals' authority to customize their spending based on the needs of the adults and children in their schools.

To get the intended benefit from these proposed changes, principals will need professional development and technical support. These recommendations will demand a greater degree of budget savvy from principals, which will have implications for how they are trained, evaluated, and supported. But just because this hasn't been the norm in public education does not mean it's a bad idea: Virtually every other institution, private and public alike, operates in a world of limited resources in which competing priorities must be balanced.

School districts should not wait for the state to force them to adopt fair student funding. They can move on these ideas even before legislative action. Instead of simply allowing teacher salaries to drive school allocations, such allocations should reflect the weighting of student needs similar to those embedded in federal and state laws such as Title I and Ohio's Poverty-Based Assistance program.

If these supplements are inadequate to fully address the additional needs of students from low-income families, districts may need to target additional resources to these students. By targeting its own resources, a district may be able to strengthen its case for additional education funding from federal and state sources.

CONCLUSION

Ohio's students and families deserve funding practices that reflect the state's twin commitments to equity and excellence. At the moment, however, long-standing budgetary and teacher-compensation practices are undermining policies that were intended to ensure funding equity between schools within the same districts. Some districts spend more on teachers in their highest poverty schools; others spend less—and almost no districts spend the additional funds on teaching low-income students as would be expected if districts targeted funds consistent with federal and state funding allocations.

This problem has been noted by other advocates and has been acknowledged by the Ohio Board of Education—yet nothing has been done to address it. As Ohio continues to seek new and better ways to fund its schools, fair funding for high-poverty schools deserves to be placed atop the agenda. Political leaders have done so. Education leaders need to join them.

Appendix A: Gaps in Average Percentage of Students With Disabilities

School District	Average percentage of students with disabilities in the district's highest poverty schools	Average percentage of students with disabilities in the district's lowest poverty schools	Disability Gap*
Akron	20.1	13.1	7.0
Canton	18.1	10.7	7.3
Cincinnati	23.1	16.0	7.1
Cleveland	21.7	17.0	4.8
Columbus	14.0	12.0	2.0
Dayton	19.4	18.7	0.6
Dublin	10.4	9.3	1.1
Hilliard	12.3	11.1	1.2
Lakota	8.6	9.3	-0.7
Olentangy	11.9	10.5	1.5
Parma	18.8	21.0	-2.2
South-Western	12.1	12.0	0.1
Toledo	18.0	14.4	3.7
Westerville	14.9	8.6	6.3

* A positive number indicates a greater percentage of students with disabilities in the district's highest poverty elementary schools.

The data indicate that students with disabilities are disproportionately likely to attend the highest poverty schools in a district. Another interpretation of these figures could be that some districts are identifying too many low-income students as disabled. However, the reality is that school staff have identified educational needs that must be addressed. Moreover, schools have been allocated additional funds for these purposes, and this should be reflected in higher spending in the schools these students attend.

NOTES

(Some links may have expired. Some links that appear on multiple lines may not be reachable directly from this document. It may be necessary to copy and paste the entire link into your browser.)

- 1 Carmen G. Arroyo, "The Funding Gap," Washington, D.C.: The Education Trust, 2008. Available at www2.edtrust.org/NR/rdonlyres/5AF8F288-949D-4677-82CF-5A867A8E9153/0/Funding-Gap2007.pdf.
- 2 Financial information is available at www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?Page=3&TopicRelationID=990&ContentID=39201&Content=52272. The state board characterizes the weights in Ohio's poverty-based assistance program and notes that this program does not provide additional funds to districts with high median incomes and very low rates of poverty. The statewide appropriation was retrieved from the School Funding Subcommittee of the Ohio State Department of Education's Web site on July 15, 2008.
- 3 The Education Trust, "The Funding Gap," Washington, D.C., 2006. Available at www2.edtrust.org/NR/rdonlyres/CDEF9403-5A75-437-E-93FF-EBF1174181FB/0/FundingGap2006.pdf. Ohio received \$494,467,601 in Title I funds in fiscal year 2007, and \$104,981,877 in Title II grants to improve teacher quality in high-poverty schools. Available at www.ed.gov/about/overview/budget/statetables/09stbystate.pdf.
- 4 According to the U.S. Census Bureau, Ohio public schools spent an average of \$9,598 per pupil in school year 2005-06 (the latest year for which such data is available). See U.S. Census Bureau, "Public Education Finances 2006," April 2008, available at www2.census.gov/govs/school/06f33pub.pdf.
- 5 See Marguerite Roza and Myra McCormick, "Where the Money Goes: District Allocation Practices Are Harming High-Poverty Schools," *School Business Affairs Journal* (January 2006). Available at http://asbointl.org/asbo/files/ccLibraryFiles/FILENAME/000000001148/SBA_Jan06_District-Allocation-Practices.pdf.
- 6 Achieve, Inc., "Creating a World-Class Education System in Ohio," Washington, D.C., 2007: 51. Available at www.achieve.org/files/World_Class_Edu_Ohio_FINAL.pdf.
- 7 Marguerite Roza, Tricia Davis, and Kacey Guin. 2007. "Spending Choices and School Autonomy: Lessons from Ohio Elementary Schools." Working Paper 21, School Finance Redesign Project, Center on Reinventing Public Education, University of Washington, July 2007, at p. 9. Available at www.crpe.org/cs/crpe/view/projects/3.
- 8 Data for this analysis were found at <http://ilrc.ode.state.oh.us/Downloads.asp> and http://ilrc.ode.state.oh.us/Power_Users.asp. The analysis is focused on Ohio's 14 largest districts because these districts had enough schools to make meaningful comparisons between higher poverty and lower poverty schools.
- 9 The examination of students per teacher is number of students per full-time-equivalent teaching position.
- 10 Charles T. Clotfelter, Helen F. Ladd, and Jacob L. Vigdor, "How and Why Do Teacher Credentials Matter for Student Achievement?" Working Paper 2, National Center for Analysis of Longitudinal Data in Education Research (March 2007). This paper concludes that a focus on teacher credentials and experience would do more to improve student achievement than reducing class size by five students per teacher. Available at www.caldercenter.org/PDF/1001058_Teacher_Credentials.pdf. See also Eric Hanushek, "The Evidence on Class Size," in *Earning and Learning: How Schools Matter*, ed. S. Mayer and Paul Peterson (Washington, D.C.: Brookings Institution Press, 1999), 131-168.
- 11 The Ohio Department of Education reports that Toledo spent \$11,979 per student in 2007-08, including \$6,266 classified as "instructional expenditures." Data available at: http://ilrc.ode.state.oh.us/districts/District_Questions.asp?sel=044909%2CToledo%20City%2CLucas%20County.
- 12 (35 full-time-equivalent positions) x (\$59,897 average teacher salary)/579 students = \$3,621 per pupil in teacher-salary spending.
- 13 The average per-pupil spending in teacher salaries in Cleveland's lowest poverty elementary schools is \$4,599.
- 14 (579 students at Clark Elementary) x (\$978 gap in per-pupil spending on teacher salaries) = \$566,250.
- 15 For more information and links to Marguerite Roza's studies, see the School Finance Redesign Project, Center on Reinventing Public Education, www.crpe.org/cs/crpe/view/projects/3.
- 16 Chapter 3317.13 of the Ohio Revised Code, "Minimum Salary Schedule for Teachers."
- 17 See note 11 above. See also Douglas N. Harris and Tim R. Sass, "Teacher Training, Teacher Quality, and Student Achievement," Working Paper 3, National Center for Analysis of Longitudinal Data in Education Research (March 2007). Available at www.caldercenter.org/PDF/1001059_Teacher_Training.pdf.
- 18 See Marguerite Roza, Tricia Davis, and Kacey Guin, "Spending Choices and School Autonomy: Lessons from Ohio Elementary Schools," School Finance Redesign Project Working Paper 21, Center on Reinventing Public Education (July 2007). Available at www.crpe.org/cs/crpe/view/csr_pubs/181.
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- 20 Ohio State Department of Education, State Board of Education School Funding Report, "A New Direction for Ohio's School Funding: Designing a System That Relates Resources to Results," (January 2007): 29. Available at <http://education.ohio.gov/GD/Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=1369&ContentID=23848&Content=42319>.
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- 22 For a detailed description of weighted student funding and a bipartisan list of prominent supporters, see the report by the Fordham Foundation, "Fund the Child: Tackling Inequity & Antiquity in School Finance," Washington D.C., June 2006. Available at www.edexcellence.net/fundthechild/.
- 23 The Fordham Institute has proposed this approach in Ohio and articulated a set of recommendations. See Public Impact, "Fund the Child: Bringing Equity, Autonomy, and Portability to Ohio School Finance," Washington D.C.: The Fordham Foundation, March 2008. Available at www.edexcellence.net/doc/fund_the_child_ohio_031208.pdf.

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