



PUBLIC SCHOOL FUNDING IN INDIANA

Overall, state policy-makers have increased funding for public schools. In fact, spending has increased faster than the inflation rate and property tax inequities are no longer a significant factor in local school funding. On the other hand, there are knowledgeable citizens beginning to doubt the core rationale for more education dollars, *i.e.*, improved student performance in the classroom and on standardized tests. The education establishment has not been able to dispel criticism that the problem is not money but how it is spent.

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A BETTER WAY: THE WEIGHTED STUDENT FORMULA

The author recommends that those serious about education reform take advantage of Indiana’s largely centralized school-funding system and implement a state-level “weighted student formula.” This is a system in operation in other states that funds students based on their individual characteristics. The formula not only has created an equitable funding stream but has given principals more control over their budgets and let students and parents choose their schools.

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EVALUATING FULL-DAY KINDERGARTEN

A survey of the research finds that at the end of the kindergarten year there is little meaningful difference between all-day and part-day students on reading and math test scores. Even this difference disappears by the third grade. The authors conclude that unless or until the elementary and secondary school system in Indiana is improved, it is unlikely that full-day kindergarten will lead to long-term measurable improvement in achievement.

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INDIANA’S CHARTER SCHOOLS: WHAT WENT WRONG?

The author recommends that Indiana legislators increase the number of eligible charter-school authorizers. Programs in other states provide sound guidance for opening up the process to nonprofit groups, including community education foundations, secular charitable organizations and churches.

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THE HISTORY OF COLLECTIVE BARGAINING IN INDIANA

Five years ago the foundation concluded in a landmark study that Indiana teachers and students were stuck with a union model meant for the Detroit auto industry of the 1970s, not public education in 2007. It was a model that treated educators as interchangeable parts, thereby rewarding mediocrity and discouraging excellence. Nothing has changed. Neither the state budget nor Indiana students can afford it any longer.

(FILE)
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GIVING UP ON GEYER: THE SCHOOL THEY LEFT BEHIND

State government doesn’t need to run our local schools. It should make certain, however, that families trapped in bad schools are given a wide range of alternatives. It should seek changes in collective bargaining so merit pay and signing bonuses can be offered to lure the best teachers into the worst schools. The author’s in-class experience supports the academic literature: Money does not make better schools; federal intrusion does not make better schools. Forty years of Title 1 and a widening achievement gap are testament to that.

NEAL
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Indiana Public Education: What's Got to Change

Building on the past work of the foundation and drawing on the expertise of nationally recognized policy analysts, this special issue takes a fresh look at Indiana public education.

Five years ago the foundation commissioned a team of researchers to individually analyze the labor contracts of each of the 294 regular school districts in Indiana.

The resulting report, "Public Education Without Romance: The Impact of Collective Bargaining on Indiana Schools," made clear that reform was impossible without systemic change in state law.¹ An excerpt of that report detailing the history of the state's Collective Bargaining Act appears on page 21.

A follow-up study two years later statistically analyzed spending and test scores in each of the districts.² Again, the results argued against the *status quo*, that more money and bigger schools alone are not having an effect on learning.

Building on this work and drawing on the expertise of nationally recognized policy analysts, this special issue of *The Indiana Policy Review* takes a fresh look at Indiana public education.

The authors provide what the foundation believes is objective information and cogent analysis meant to help lawmakers as they grapple with education reform over these next two critical sessions:

- Matthew Carr, an education analyst for the Buckeye Institute and expert on charter schools, takes a look at the state of finance, spending and performance in Indiana's public schools. Spending has increased dramatically, he confirms, jumping 40 percent over the last 10 years. Academic performance, however, continues to show only modest progress.

- Lisa Snell and Darcy Olsen, education experts for Reason Foundation and the Goldwater Institute respectively, explore the potential for all-day kindergarten. The authors review the literature on kindergarten's impact on student performance, including several studies of Indiana programs, finding the results disappointingly mixed.

- Carr, in a second article, examines the lackluster performance of charter schools in Indiana. Lawmakers here need to consider reforms to the charter-school

law that would open the door to true competition among schools, he suggests. Otherwise, large numbers of Hoosier children will continue to miss out on the benefits of these promising new schools.

- Snell, in a second article, offers an outside-the-box perspective on school finance called the "weighted student formula." The concept, successfully applied in Alberta, Canada, as well as San Francisco, seems particularly suited to Indiana schools. It holds promise for giving our teachers and administrators flexibility to jump-start academic improvement, especially in the state's most troubled schools.

- Andrea Neal of the Indiana Policy Review Foundation examines what went wrong at Geyer School in Fort Wayne, one of the first closed under the federal No Child Left Behind Act. Ironically, student performance seemed to be improving during the school's last year as it reverted to the local control of a dedicated, experienced principal.

Again, we believe these articles provide the base of information and analysis necessary for meaningful education reform in Indiana. The issues addressed — collective bargaining, teacher education, school choice and competition and school finance reform — are at the heart of what needs to change if we are to improve the educational environment for all students, parents and professionals committed to providing a productive and engaging learning experience.

— Sam Staley, Ph.D.
Project Manager

Endnotes

1. Charles M. Freeland. *Public Education Without Romance: The Impact of Collective Bargaining on Indiana Schools*. The Indiana Policy Review, winter 2002.

2. Freeland. *More Money Won't Fix Indiana's Schools*. The Indiana Policy Review, fall 2004.

PUBLIC SCHOOL FUNDING IN INDIANA

Where we've been, where we are



Education rhetoric can obscure the facts; slogans such as "More Money for Better Schools" or "Teacher Ed for Classroom Cred" are too simplistic for making sound policy.

by **MATTHEW CARR**

As Indiana's citizens and policy-makers examine proposals to improve the state's K-12 education system, their discussions should be founded on objective information about the present system.

Too often rhetoric is allowed to obscure the facts, and the result is a focus on reforms that may be of little benefit to the over 1.1 million students attending public schools across the state. Slogans such as "More Money for Better Schools" or "Teacher Ed for Classroom Cred" are too simplistic for making sound education policy. Crafting effective education policies requires knowing where you are before you start and setting a course for where you would like to go.

To help illuminate where Indiana's public schools currently are, this brief article provides information on three major areas of education policy: school funding, spending and student achievement.

School Funding

Like many other states across the country, Indiana has, for over a decade now, been working toward creating a more equitable and adequate school funding system. At the heart of the state's school finance reform is an effort to overcome the inherent inequity that is created by a reliance on local property taxes. School districts with greater property wealth are able to raise more revenues than those districts with a smaller or more limited property tax base. Compounding this

inequity is the fact that property wealth is closely related to the socioeconomic status of the student body that is served, and the socioeconomic status of the student body is linked to a level of need for resources to provide a quality education. This creates an inverse relationship where less-wealthy districts, those with a smaller base for raising school revenues, also tend to have more students who require greater resources.

The current funding system uses a foundation program to determine the total amount of revenue each school system receives, and combines both state and local resources. This funding system takes a bottom-up approach, which first takes into account the ability of a local school system to generate revenues. Conceptually, this part of the formula represents the state's estimate of the local school districts' "ability to pay" on their own. The state then provides as much funding as is necessary to reach a minimum floor of per-pupil revenue — the "foundation" amount. In 2006, this per-pupil revenue floor was set at \$4,517 in Indiana. For 2007 it will increase to \$4,563.

Such "foundation" funding systems are intended to do two things: Ensure that each district has a minimum amount of revenue per student regardless of local ability to raise funds, and to compensate for the inequality among local districts in their ability to pay from their local property tax base. State funds are used to create a more equitable distribution of education dollars.



Matthew Carr, an adjunct scholar of the foundation, is the education policy director at the Buckeye Institute for Public Policy Solutions. He is a former staff researcher on education policy issues for the Manhattan Institute in New York City and recently completed his Masters in Public Administration at Kent State University. Currently, he is working on a Ph.D. at the University of Arkansas as a Distinguished Doctoral Fellow.

A wide variation continues to exist in per-pupil spending across school districts. At the lowest end, some districts spent roughly \$4,000 per pupil while at the highest end some districts spent upwards of \$10,000 per pupil.

In 1993, the Legislature enacted major reforms to the foundation program. The law equalized property tax rates between school districts with similar expenditure levels, placed a maximum limit on local property-tax rates, and provided for additional funding for schools serving disadvantaged student populations. These changes furthered the goal of creating greater equity in the school funding system by directing more state funds to those school districts with lower levels of property wealth and greater numbers of disadvantaged students.

In fact, a 2005 report from the Center for Evaluation and Education Policy (CEEP) at Indiana University found that the significant statistical correlation between local property wealth and school revenue per pupil that existed in 1993 had been reduced to the point that no meaningful correlation existed by 2005.

Evaluating the eight original goals of the 1993 funding reforms, the CEEP report concluded that ending the dependence on local property taxes for school revenues had been achieved. Steady progress was being made on five of the other goals:

- Increasing overall funding,
- Increasing the state share of funding,
- Connecting property tax rates to regular revenue,
- Limiting property tax increases, and
- Reducing the variation in property tax rates across districts.

The report found mixed results for two goals: more directly connecting the funding formula to the socioeconomic status of the student body and reducing overall variation in funding across districts.

School Expenditures

According to the Indiana Department of Education, the state spent an average of \$6,160 per student for general operating expenses in the 2004-2005 school year. Including capital expenditures, and using a smoothed average from 2002-2004 to account for year-to-year changes, this figure rose to \$9,115 per pupil per year. This is a significant increase, over 40 percent, from the roughly \$6,318 spent per pupil in 1994 for all expenditures and about 25 percent faster than the inflation rate during the same period.

Using a slightly different methodology for calculating per pupil expenditures, the United States Census Bureau's 2004 Annual Survey of Local Government Finances reported that Indiana spent \$8,280 per pupil, a figure nearly identical to the national average of \$8,287.

Table 1 provides a breakdown of the expenditure categories as provided by the Census Bureau. The table shows that Indiana is directing roughly 60 cents of every education dollar to instructional expenses (most of which covers the salaries, wages and benefits of employees). On the other hand, about seven and half cents of every education dollar goes toward administrative expenses.

Examining the available data from the Indiana Department of Education for fiscal year 2005, a wide variation continues to exist in per-pupil spending across school districts. At the lowest end, some districts spent roughly \$4,500 per pupil while at the highest end some districts spent upwards of \$10,000 per pupil (excluding capital funding). These data provide further support for the CEEP report's conclusion that the goal of equalizing school spending

Table 1

Census Bureau Breakdown of Indiana Public School Expenditures per Pupil

Instruction			Support services				
Total	Salaries and wages	Employee benefits	Total	Pupil support	Staff support	General administration	School administration
\$4,977	\$3,266	\$1,557	\$2,970	\$374	\$282	\$161	\$469

Source: United States Census Bureau, 2004 Annual Survey of Local Government Finances

When the ISTEP+ passage rates are broken down by race, a large gap in student achievement becomes strikingly clear. For each test and across the various grade levels, there exists a persistent gap, at times as high as 40 percentage points, between the passage rates of white students and black students in the state.

across the state still has not been achieved despite the equalization in property tax rates.

Student Achievement

Indiana has implemented several major reforms with the aim of increasing student achievement. Chief among these have been PL 221, which created a sweeping accountability program based on the state's standardized achievement tests (ISTEP+) and Core 40, a rigorous high school curriculum. There are several ways of evaluating student achievement, each with its inherent limitations – ISTEP+ performance, school ratings and graduation rates provide the soundest indicators available.

Under PL 221, Indiana's schools now receive one of five grades or rankings based on ISTEP+ performance. The grades are, from lowest to highest: Academic Probation, Academic Watch, Academic Progress, Commendable Progress and Exemplary Progress. Table 2 shows the distribution of rankings given to school buildings in 2005-2006. The largest number of schools received the second-lowest ranking, Academic Watch. However, the second-largest number received the highest ranking, Exemplary Progress.

Table 2

Number of Schools Given Each Rating in 2005-2006

Rating	# of Schools
Exemplary Progress	540
Commendable Progress	228
Academic Progress	301
Academic Watch	643
Academic Probation	125

Source: Indiana Department of Education, Public Law 221

The ISTEP+ results from the 2005-2006 school year, broken down by grade, are provided in Table 3. The scores show a fairly uniform trend in student performance, declining from the lower grades to the higher grades.

Looking at the ISTEP results for the last 10 years, there has been a small increase in passage rates, about 12 percentage points in math, five percentage points in English, and 10 percentage points in

Table 3

2005-2006 School Year ISTEP+ Results, Percent Passage

Grade	Both English and Math	English	Math
3	66%	76%	74%
4	67%	75%	76%
5	68%	75%	77%
6	67%	72%	79%
7	64%	70%	77%
8	63%	70%	73%
9	61%	68%	71%
10	58%	69%	65%

Source: Indiana Department of Education, State Snapshot

both math and English. These aggregate figures obscure a more troubling picture of the state of student achievement in Indiana. When the ISTEP+ passage rates are broken down by race, a large gap in student achievement becomes strikingly clear. For each test and across the various grade levels, there exists a persistent gap, at times as high as 40 percentage points, between the passage rates of white students and black students in the state. The graduation rate in Indiana has recently been the subject of some debate and a new method of calculating it has just gone into effect. The graduation rate for the class of 2006 was the first to be determined using the new formula and was reported by the state's department of education to be 75.5 percent. This was a significant drop from the graduation rate of 89.9 percent reported for the previous year. The recent research into state graduation rates by independent policy organizations suggests that the new method is providing a more realistic picture of completion rates.

Conclusion

The facts presented provide a solid foundation on which to guide the coming debates over changes to the public education system. Overall, Indiana policymakers have dramatically increased and equalized funding for public schools. Spending has increased faster than the inflation rate, and property tax inequities are no longer a significant factor in local school funding. On the other hand, despite this substantial increase in resources, performance continues to lag.



THE PROMISE OF A WEIGHTED STUDENT FORMULA TO IMPROVE INDIANA SCHOOLS

An alternative that offers students more school choice, improves academic outcomes and creates higher-quality education opportunities

Some of the most difficult work already has been done: Indiana legislators and education policy-makers have completed a set of world-class standards for reading, math, science and history for K-12 education

by LISA SNELL

In Indiana, like most states, school funding is *not* attached to the child; families cannot easily choose between local public schools based on quality. As a consequence, public schools have no incentive to improve because children have no right of exit to a better-performing school. While some public schools have experienced modest improvement in recent years, thousands of Hoosier children continue to languish in low-performing public schools despite continual reforms that have included funding increases, smaller class sizes, changes in teacher training and staff reconstitution.

Indiana's children need meaningful public school reform where school financing is attached to the backs of children and public school enrollment is based on choice, not residential assignment. School funding needs to be put into the backpacks of children and follow them into the schools of their choice. Public school principals need to control resources at the local level in order to make informed decisions about how best to spend resources on the unique needs of their own students. Offering parents and students "buying power" will help inspire excellence in all public schools, especially if

they have to compete for students in order to receive funding. The school finance mechanism known as "weighted student formula" could help create more school choice, more equitable school financing and better-performing schools in the state of Indiana.

Indiana School Performance

In the last decade Indiana legislators and education policy-makers have completed the difficult work of developing a set of world-class standards for reading, math, science and history for K-12 education. In the State of State Standards 2006, the Thomas B. Fordham Institute gives Indiana an *A* in all four categories. This is in contrast to the rest of the nation that receives an average of a *C-* in state standards and curriculum. For example, the Fordham Institute writes, "Indiana gets almost everything right in its English standards. English language arts, reading, vocabulary — all receive robust treatment. And literature, so often neglected by the states, is examined fully in Indiana's standards, with American literature explicitly cited along with titles of recommended texts and their authors." Similarly, Indiana's expectations for K-12 students and schools earned high marks on *Education Week's* 2007 Quality



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Seventeen Indiana high schools accounted for 27 percent of the state's high school dropouts from the classes of 2000 to 2004.

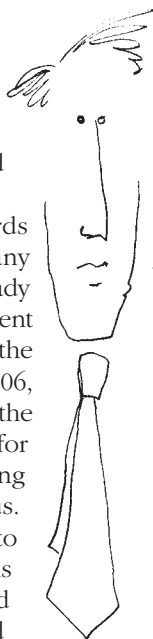
Counts report. Indiana achieved the highest rating of all states for its academic standards, assessments and accountability system.

Indiana's high standards are slowly paying off for many students. There has been a steady increase in student achievement in math and reading for the majority of schools. In fall 2006, about 770,000 students took the ISTEP+ exam, which stands for the Indiana Statewide Testing for Educational Progress-Plus. The test results are used to help determine which schools make yearly progress required under the federal No Child Left Behind Act (NCLB). They also give parents and teachers a snapshot of how students are performing.

About 70 percent of students in grades 3-10 passed the English portion of the ISTEP+ test, while a little more than 72 percent passed the math section.

In Indiana the percentage of students passing English increased from 2002 to 2005 by 2.2 percent for Hispanic students, 2.3 percent for white students, 4.5 percent for students receiving free- and reduced-price lunches and 5.9 percent for black students. Math scores during that same period increased 5.9 percent for white students, 8.4 percent for Hispanic students, 9.4 percent for students receiving free- and reduced-price lunches and 10.4 percent for black students.

Unfortunately, not every Indiana school is improving. Indiana's gradual improvement in performance is shadowed by the 33 school corporations and 350 schools that have been listed as failing under the federal NCLB. In 2005, the percentage of students who had to pass ISTEP+ for the school to make adequate yearly progress (AYP) increased. The "bar" was raised from 58.8 percent to 65.7 percent of students in English/language arts and from 57.1 percent to 64.3 percent of students in math. The federal law calls for the passing rate to be raised in increments toward the ultimate goal of having 100 percent of students in all groups passing the state assessment by 2013-2014. The federal NCLB requires states



*"War, like most other things, is a science acquired by diligence, perseverance, time and practice."
(Alexander Hamilton)*

to show that students in every subgroup including minorities, low-income and special-education students are proficient in reading-English language arts and math. In schools listed as "needs improvement" under the federal NCLB, students in at least one subgroup of students at each school or district have not met minimal proficiency standards in reading and math for two years in a row. In Indiana the number of "needs improvement" schools is likely to increase because in 2005 the state had 79 school corporations and 946 schools that did not make "adequate yearly progress" for that year. A school must fail to make AYP for two consecutive years before being labeled as "needs improvement" under NCLB.

Indiana also struggles with three other significant education performance issues. First, Indiana has a school graduation rate of 76 percent statewide. However, several individual high schools suffer from a much higher concentration of school dropouts. Indianapolis Public Schools, for example, is home to the state's five worst-performing high schools based on promoting power. Indianapolis Public Schools calculated the 2005-2006 graduation rate at 48 percent. Under the district's calculations, 1,227 of the 2,565 IPS students who started as high school freshmen in 2002 and stayed at their schools received a diploma from the district. Others dropped out, could not be located, received a GED or were held back. Overall,¹ in Indiana 17 high schools accounted for 27 percent of Indiana's high school dropouts from the classes of 2000 to 2004.

Second, while low-income and minority student test scores are slowly improving, the achievement gap in Indiana remains large. For example, about 75 percent of white students passed the English portion of the ISTEP exam in 2006, compared with 48 percent of black students and 51 percent of Hispanic students.

Finally, Indiana students have declining test scores as they move toward high school. ISTEP+ scores have a stair-step pattern, with elementary scores at the top

The weighted student formula allows individual schools to compete for students and allows principals to control their budgets and tailor their schools to the needs of their specific school populations.

and high school scores at the bottom. In 2006 about 64 percent of third-graders passed both parts of the test, while 57 percent of 10th-graders did.²

Indiana School Finance

In addition to school performance issues, Indiana continues to struggle with a fair, simple and transparent school financing system. Indiana's more than one million students in 1988 schools are largely financed at the state level. The state supplies 83 cents of every dollar spent on teachers and operating costs and attempts to equalize school funding between school corporations. Indiana also uses a complexity index that provides more money to high-poverty school districts. However, because Indiana's school-funding system is not student-centered it is difficult to equalize funding to individual students.

Indiana's school finance mechanism is based on complex funding formulas that direct resources to school corporations rather than individual students. A 2005 report, "Indiana's New and (Somewhat) Improved K-12 School Finance System," by Susan Aud of the Milton Friedman Foundation, found that Indiana's school finance system "continues to require the calculation of needlessly confusing multi-step formulas, the excessive accumulation of data and the use of potentially outdated census data to determine per-student funding." The report also noted that equity problems are still inherent in Indiana's school finance system. Susan Aud wrote that "because funding is not generally student-centered, students who are especially expensive to teach often don't get additional funding, putting them at a disadvantage relative to more privileged students."

Indiana's system for financing schools also sent more money to districts with shrinking enrollments rather than letting it follow students to growing districts. According to the Oct. 24, 2006, *Indianapolis Star*, legislators adjusted Indiana's formula for paying schools in 2005 to spread money more evenly among the state's 293 school districts. However, five year state averaging of

school enrollment continued to create disparities between districts in school funding. Indianapolis Public Schools, for example, received \$17 million last year for 2,750 students who had left the district, according to an analysis by the Milton Friedman Foundation. On the other hand, growing school districts in Indiana were short-changed \$16 million during the 2005-2006 school year.

In addition to school funding inequities between school corporations, there can also be funding disparities within school corporations. A large disparity between wealthier and poorer schools and often within school districts is in the experience level of teachers. Young teachers often start out in poorer schools. After a few years, they tend to move to wealthier schools to work with less-difficult-to-teach students. The inequities caused by teacher seniority rules within school corporations are often masked by teacher salary averaging within a school district. A poorer school may be stacked with less-expensive and less-experienced teachers and a wealthier school may have a higher percentage of higher-paid teachers. However, at the district level these salaries are averaged — hiding large inequities in funding for students from one school to another.

There is a school finance mechanism and public school choice program known as weighted student formula (WSF) that is demonstrating results in equalizing funding for all students, closing the achievement gap and improving high school outcomes in a handful of urban school districts across the United States. This school finance mechanism seems especially suited for Indiana where the majority of school funding is already allocated at the state level.

The Weighted Student Formula

A number of school districts across the country and abroad have adopted a funding mechanism for schools that gives local schools more control over resources and leads to increases in student achievement.³ Pioneered in Canada's Edmonton school district in Alberta in the 1980s, "weighted student formula" has been imported to Boston, Oakland, Seattle, Cincinnati,

San Francisco, with 116 schools and 60,000 students, is now entering its sixth year of weighted student formula reforms, and its test scores now top all the state's urban districts.

San Francisco, Hawaii and Houston. The funding structure allows individual schools to compete for students and allows principals to control their budgets and tailor their schools to the needs of their specific school populations.

School districts use student characteristics to determine per-pupil funding levels and better match costs with actual student needs. In each case, schools are given responsibility for managing their own budgets in key areas such as personnel, school maintenance or learning materials. In addition, the funding follows the child to each school and is based on the characteristics of the individual child. Therefore, schools have an incentive to improve academic programs and help at-risk and low-income students.

Former Superintendent of Schools Arlene Ackerman introduced San Francisco city schools to the weighted student formula, which requires money to follow students to the schools they choose while guaranteeing that schools with harder-to-educate children (low-income students, English learners, low achievers) get more funds.⁴ Ackerman also introduced site-based budgeting, so that school communities — not the central office — determine how to spend their money. Finally, she created a true open-enrollment student assignment system that gives parents the right to choose their children's schools. And parents are taking advantage of the system; more than 40 percent of the city's children now attend schools outside their neighborhoods.

With students having the freedom to move, the city's public schools now have incentives to differentiate themselves. Once cookie-cutter public schools now include Chinese, Spanish and Tagalog language immersion schools; college-preparatory schools; performing-arts schools that collaborate with an urban ballet and symphony; schools specializing in math and technology; traditional neighborhood schools; and a year-round school based on multiple-intelligence theory. Each San Francisco public school is unique. And the number of students, school hours, teaching styles and program choices vary from site to site.

San Francisco, with 116 schools and 60,000 students, is now entering its sixth

year of weighted student formula reforms, and its test scores now top all the state's urban districts. In 2006 standardized test results, nearly half of San Francisco Unified's students — 48 percent — scored at or above proficiency in both reading and math. Those scores are far above the California state average for all schools.

In 2005, San Francisco's students posted the highest test scores of any urban district on the Academic Performance Index (API). The state has set 800 as excellent. San Francisco scored 745; San Jose 737; San Diego 728; Sacramento 700; Los Angeles 645; and Oakland 634. Even San Francisco's low-income students outscored Los Angeles and other urban districts, achieving 706 on the API. San Francisco also does a better job of serving low-income students and high school students. In language arts in 2006, for example, San Francisco's low-income high school students outscored students in Los Angeles Unified by 20 points in 9th grade, fifteen points in 10th, and fifteen points in 11th grade.

These gains in San Francisco have been made with more and more students who used to be excluded now being tested. In the last year of Bill Rojas' administration (1998-1999), only 77 percent of San Francisco Unified School District (SFUSD) students (in tested grades, 2nd through 11th) were included, with children who were deemed likely to bring scores down excluded wherever possible. By 2003-2004, 98 percent of SFUSD students (in tested grades) were included in testing.

San Francisco is not alone. Professor William Ouchi of the UCLA Anderson School of Management has done extensive research on the effects of school district decentralization throughout the United States. Ouchi and his team of 12 researchers studied three very centralized public school districts: New York City, Los Angeles and Chicago; three very decentralized public school districts that used the weighted student formula: Seattle, Houston and Edmonton, Canada; and, three very decentralized Catholic school districts: Chicago, New York City and Los Angeles. In his book, *Making Schools Work* (Simon & Schuster, 2003), Ouchi reports that decentralization works. Schools perform better on fiscal and academic outcomes when there is both local control of school

School districts merely give word play to local control and site-based management. Their kind of local control is nominal. The only true local control occurs when the school principal controls the school budget. The bottom line is that the money must follow the child.

budgets by principals and public school choice.

Ouchi's team conducted interviews with 185 principals in the six public districts and found, on average, that principals in the WSF districts have discretion over 77 percent of their school budgets. By contrast, principals in New York and Los Angeles report discretion over only six percent of their budgets. In Edmonton, principals have control over 92 percent of their budgets.

A central point made in Making Schools Work is that most school districts merely give word play to local control and site-based management. Their kind of local control is nominal. The only true local control occurs when the school principal controls the school budget. Overall, Ouchi found that the truly decentralized public school districts and private Catholic schools had significantly less fraud, less centralized bureaucracy and staff, more money at the classroom level and higher student achievement. According to Ouchi, the bottom line is that the money must follow the child.

School closure is also a prominent feature of the weighted student formula model. In Edmonton, if a school declines to the point that it can't cover its expenses with the per-student money, the principal is removed and the remaining teachers and facilities are assigned to a strong principal — or the school is closed, and the staff are moved to other more successful schools. The San Francisco school district has closed five schools in 2005 because of under-enrollment.

School choice is a crucial component of the WSF program. Public school choice complements a weighted system by creating a financial incentive for schools to improve their educational programs, thereby attracting more students (and more dollars). Importantly, weightings ensure that schools have an incentive to recruit and serve students with special needs, limited English proficiency and other difficulties.

Edmonton's public school choice system is particularly robust, allowing students to apply directly to any school in the system. Similarly, Cincinnati's high school open-enrollment system allows

students to apply directly to 26 different high school programs on a first-come, first-served basis. San Francisco and Seattle use complex formulas to assign students to their schools of choice with some consideration given to factors such as socioeconomic background and residential address, yet more than 80 percent of students enroll in a school of their choice.

Weighted Student Formula Results

Decentralized districts demonstrate that it is possible to allow parents to choose any school in a district and that the resulting competition and need to attract parents can help improve even the lowest-performing schools and encourage them to adopt best practices and unique programs that will benefit the children in their schools. Several other weighted student formula programs have resulted in positive outcomes in terms of choice and student achievement for students:

- In 2004 the Oakland Unified School District transformed its budgeting formula from a centralized process to "results-based budgeting." As reported in a new Education Trust West report, "California's Hidden Teacher Spending Gap," the Oakland District allocates funding to its schools based on the number and type of students at each school. Oakland gives each school administrator the flexibility to allocate this funding in whatever way fits the school's instructional needs. Oakland allocates funds to the school in the same way it receives revenue from the state: unrestricted Average Daily Attendance (ADA) funding is allocated to the schools based on their current year enrollment. According to *Education Week*, Oakland is the only district in the nation that gives principals direct control of their ADA funding. In Oakland, which has just completed the first year of implementing student-based budgeting, in what is probably a first in recent district history, a majority of Oakland's African-American students met basic reading standards at their grade levels in 2005. In addition, every grade level in Oakland saw increases in the number of students who were proficient in reading and math. Oakland schools have shown a remarkable flexibility in responding to student needs. In 2003-2004,

Some unions have given cautious approval to the concept. However, most teachers' unions still oppose giving local principals control of funding through weighted student formula where that control interferes with union work rules such as seniority.

for instance, Oakland's high schools were offering 17 Advanced Placement classes. Last year they had increased this total to 91 – or about one AP class for every 143 students. More to the point, Oakland students posted real achievement gains last year. Oakland's score on the Academic Performance Index – a numeric grade that California assigns to its schools based on the performance of their students on standardized tests – went up by 19 points. Oakland's middle schools gained an average of 16 points. Oakland high schools gained on average 30 points. Oakland saw particularly robust results for middle school and high school students.

- In Boston, pilot schools were opened in 1995 as a result of a unique partnership among the Boston mayor, school committee, superintendent and teachers union. According to the Boston teachers union contract, Pilot schools were created to be models of educational excellence and reform within the district. Pilot schools are part of the Boston Public School system (BPS), but have autonomy over five key areas: budget, staffing, governance, schedule and curriculum and assessment. While overall Boston school enrollment has been declining, Pilot school enrollment has increased over the last decade from serving 1.5 percent of enrollment in five schools to serving 10 percent or 5,900 students, in 19 schools. The new report, "Progress and Promise: Results from the Boston Pilot Schools," in January 2006 by the Center for Collaborative Education in Boston, shows that Pilot school students are performing significantly better than BPS averages across every indicator of student performance and engagement. Pilot school students score substantially higher than the district average on the state standardized test, the Massachusetts Comprehensive Assessment System (MCAS), and have higher college matriculation rates. According to the study, 80 percent of students in Pilot schools passed the MCAS, in contrast to 59 percent of non-Pilot students, excluding the city's exam schools. Attendance at Pilot schools averaged 95 percent, compared to 89 percent at other schools.

- In 2005, Cincinnati Public Schools, where 70 percent of students are African-American, improved from "Academic Watch" to "Continuous Improvement," and test scores were up for most students in most grade levels.

- Seattle continues to see increases in student achievement and in 2005 reduced the number of failing schools under NCLB from 20 to 18, even as the state raised the bar for proficiency.

- In 2006, the New York City public school system expanded the Empowerment Schools experiment; 321 principals, more than a fifth of those in the system, will no longer answer to a superintendent and will have greater authority over their budgets, staff and instruction. In exchange, they have agreed to meet performance targets and could face dismissal in two years if they fail.⁵ In order to direct more resources to the autonomous schools, the city has cut the number of jobs in the school bureaucracy by 328, worth \$87.5 million in savings.

- In California, Los Angeles school and union officials have agreed in concept to develop a group of independent small schools in the Pico-Union area, allowing students to choose a campus that best fits their interests. The Belmont Pilot Schools Network would consist of five to 10 fully autonomous high schools launched over the next five years, with a maximum of 400 students each. Principals and teachers at those schools would work under a separate contract that would free them to determine school calendars, curricula, budgets and administrative structures.⁶

The weighted student formula is slowly gaining support and recognition as a viable strategy to offer students more school choice, improve academic outcomes and create higher-quality education opportunities. In 2006, the Thomas B. Fordham Foundation released a manifesto on weighted student formula as an important policy solution for reforming public schools in the United States and former Secretary of Education Rod Paige penned an editorial for *the New York Times* praising the concept of weighted student formula. The concept has some bipartisan support in individual districts and some unions have given cautious approval to the concept. (However, most

An interim solution would be to offer school districts a financial incentive to pilot the weighted student formula concept within a school corporation. This would be especially important for those Indiana districts with high achievement gaps.

teachers' unions still oppose giving local principals control of funding through weighted student formula where that control interferes with union work rules such as seniority rights.) In addition, a group funded in part by the Bill and Melinda Gates Foundation has called for abandoning local funding of schools in favor of state funding using a uniform pupil weighting funding formula. The New Commission on the Skills of the American Workforce wrote, "The schools would be funded directly by the state, according to a pupil weighting formula. The schools would have complete discretion over the way their funds are spent as long as they provided the curriculum and met testing and other accountability requirements imposed by the state." Q

Policy Implications

Based on the experience of school districts across North America, Indiana should create one simple funding mechanism. This mechanism should distribute both categorical and revenue-limit funding based on a weighted student formula that would include one base allocation equalized across the state and additional weighted funds for students with additional needs, including special education, poverty and English learners. This process would make school finance in Indiana simpler and more equitable, and bring significant cost savings by reducing categorical administration costs and central office costs and redirecting some of this savings to increase classroom-level spending.

Indiana could take advantage of its largely centralized school funding-system and implement a state-level weighted student formula that would fund students based on their individual characteristics. The weighted student formula would create an equitable funding stream, give all principals more control over their budgets, and let students choose their schools.

If Indiana is not ready to institute WSF statewide — an interim solution would be to offer school districts a financial incentive to pilot the weighted student formula concept within a school corporation. This financing mechanism would be especially important for those Indiana districts

with higher achievement gaps, higher concentrations of school dropouts and a greater need to weight funding toward individual student characteristics.

Indiana could offer waivers to state-level categorical mandates that limit discretionary funding to those districts willing to implement weighted-student formula financing schemes with principal control and public-school choice.

Obviously creating high standards alone is not enough to solve Indiana's school performance issues or inequities in school funding. Individual low-performing Indiana schools may need competition from higher-performing schools to give them a financial incentive to either perform better or let the children go. In the specific case of chronically low-performing schools, students need more than high standards — they need access to higher-performing schools and a right of exit out of their inadequate schools. Indiana needs to reform its school finance system using a weighted student formula to offer public schools the incentive to better serve each child based on individual characteristics.

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EVALUATING THE EVIDENCE FOR FULL-DAY KINDERGARTEN FOR INDIANA

Proposals for full-day kindergarten are seen as policy solutions for everything from low academic achievement, to reducing crime, to lowering the dropout rate

The governor's program would begin by offering about 37 percent of all kindergartners full-day kindergarten.

by **LISA SNELL** and **DARCY OLSEN**

In December 2006 Indiana Gov. Mitch Daniels proposed a full-day kindergarten plan that would offer full-day kindergarten to all children in Indiana over a three-year phase-in. While noble in theory, research supporting a dramatic expansion of full-day kindergarten options in Indiana is weak.

If approved by the Legislature, the governor's program would begin in fall 2007 by offering about 30,000 children who are poor enough to qualify for free and discounted lunches, or about 37 percent of all kindergartners, full-day programs. The program would expand to all Indiana kindergartners by the

fall of 2009, although attendance would not be mandatory. The plan is projected to cost \$54 million in the 2007-2008 school year, which includes \$25 million in one-time startup costs. The price tag would reach nearly \$260 million within five years.

Proposals for full-day kindergarten are an increasingly popular policy solution for everything from low academic achievement, to reducing crime, to lowering the dropout rate. According to the Education Commission of the States, approximately 66 percent of kindergartners already attend full-day kindergarten nationwide.¹ About 40 percent of Indiana's 75,000 kindergartners are in full-day classes,



Lisa Snell, left, an adjunct scholar of the foundation, is director of education and child welfare policy at Reason Foundation in Los Angeles. Darcy Olsen is president of the Goldwater Institute. They wrote this for The Indiana Policy Review Foundation.

The National Center for Education Statistics show a slight advantage for full-day kindergartners over half-day kindergartners.

Yet, they show no differences in academic achievement between the two groups by the end of third grade.

according to an Indiana Department of Education survey. Sixty percent of the state's 293 school districts offer full-day programs, through local money, state grants, federal Title I money or fees paid by parents.

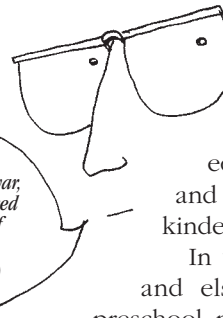
A review of the research on full-day kindergarten shows that many full-day kindergarten programs have had meaningful short-term effects on disadvantaged students' cognitive ability, grade-level retention and special-education placement. However, most research also indicates that the effects of full-day kindergarten disappear soon after children leave the programs.²

For example, the well-publicized studies produced by the National Center for Education Statistics (NCES) (and discussed later in detail), show a slight advantage for full-day kindergartners as measured at the end of the kindergarten year. Yet, they show no differences in academic achievement between the two groups by the end of third grade.

Are Children Prepared For Kindergarten?

Discussions of full-day kindergarten are premised partly on the notion that many children are inadequately prepared for entry into kindergarten. For instance, the federal initiative "Goals 2000" established "readiness" as the nation's first education goal, stating, "By the year 2000, all children in America will start school ready to learn."³ Yet there is little agreement in expert literature on child development, among program proponents, or among parents about what children should know and what skills they should possess or by what age, which makes defining "readiness" highly subjective.⁴

Here we address the question of whether children are "ready" for kindergarten by examining: 1) widely used proxy measures for assessing readiness; 2) concrete skills assessment at kindergarten entry; and 3) how kindergartners perform on measures that kindergarten teachers say are the most important for kindergarten



preparedness. On these measures, data indicate that most children entering kindergarten are equipped with the knowledge and traits required to begin the kindergarten year.

In the "Goals 2000" literature and elsewhere, researchers use preschool participation rates and the frequency with which parents read to their children as two important indicators of readiness.⁵ By those measures, a high and increasing percentage of American preschoolers are ready for kindergarten. Data show only five percent of three-year-olds attended preschool in 1965 — today, 42 percent attend. Sixteen percent of four-year-olds attended preschool in 1965 — today, that figure is 68 percent.⁶

Data also show families engage their children in literacy activities regularly and with increasing frequency. As measured from 1993 to 1999, the percentage of preschoolers who were read to three or more times per week had increased from 78 percent to 81 percent. The percentage of preschoolers who were taught letters, words or numbers with equal frequency had increased from 58 percent to 64 percent. The upward trend was also present in the increasing percentage of preschoolers who were taught songs or music, and had done arts and crafts with a family member.⁷

Therefore, according to the two common proxy measures of readiness — preschool enrollment rates and early literacy activities — a majority and increasing number of preschoolers are prepared for kindergarten entry. Although there may be room for improvement, the proxy data indicate that the problem of under-preparedness is narrow and diminishing.

In 1998 the NCES began conducting the Early Childhood Longitudinal Study (ECLS-K), which assessed 22,000 children at kindergarten entry and most recently reported on those students through the third grade. The study is the only one of its kind, using a nationally representative sample of children, and conducting a longitudinal and multivariate analysis that is a requirement for assessing the long-term benefits of early education

The apparently high levels of preparedness for kindergarten call into question the notion that there is a widespread need for yet more funding focused on government involvement in this arena.

and kindergarten programs. Researchers Nicholas Zill and Jerry West explain,

“Until recently, we have lacked systematic information about what children know and can do at school entry. The data that have been available depended on reports about children’s skills from the parents of preschool children, rather than on direct assessments of the children themselves. With the launching of the U.S. Department of Education’s Early Childhood Longitudinal Study, Kindergarten Class of 1998–1999 (ECLS-K) in the fall of 1998, however, measures of the knowledge, skill, health and behavior of a large and nationally representative sample of American kindergartners are available.”⁸

The NCES assessment allows researchers to move beyond proxies into specific, verifiable skills. According to the first national assessment of the skills and traits children possess as they enter kindergarten — “America’s Kindergartners” — U.S. kindergartners have a strong start. In terms of concrete literacy development, 82 percent of children entering kindergarten have basic familiarity with print skills, such as knowing that print reads left to right.⁹ In terms of concrete mathematics knowledge, 94 percent of children entering kindergarten pass mathematics proficiency level one (reading numerals, recognizing shapes and counting to 10).¹⁰ Finally, we review the factors that public school kindergarten teachers say are “very important” or “essential” to kindergarten readiness — physical health and eagerness to approach new activities.¹¹ Children’s health is reported as very good or excellent, with just three percent of children having “fair or poor general health.” At the same time, 92 percent of children are “eager to learn.”¹² Interestingly, only 10 percent of kindergarten teachers say knowing the letters of the alphabet is very important or essential to being ready for kindergarten, and just eight percent consider being able to count as very important or essential.¹³

According to the proxy measures of preschool enrollment rates and early literacy activities, concrete skills assessment at kindergarten entry, and measures ranked by kindergarten teachers as important or essential to preparing

children for kindergarten, most children entering kindergarten appear to be equipped with the knowledge and traits required to begin the kindergarten year. The apparently high levels of preparedness call into question the notion that there is a widespread need for yet more funding focused on government involvement in this arena.

Full-Day or Half-Day? The Kindergarten Decision

In Indiana, the research on the benefits of full-day kindergarten is mixed at best. A 2004 policy brief, *The Effects of Full-Day versus Half-Day Kindergarten*, by the Center for Evaluation and Education Policy (CEEP) at Indiana University, summarized the results of seven kindergarten evaluations in Indiana public schools. While the researchers at CEEP conclude that full-day kindergarten had many beneficial outcomes for Indiana children, the actual studies tell a different story. In fact, four of the seven studies on full-day kindergarten in Indiana public schools found no statistically significant differences between children in half-day *versus* full-day programs and one study found statistically significant results in first grade that disappeared as children moved on to higher grades.

For example, in Lawrence Township, a control group study of 1,530 kindergartners in full- and half-day programs found that gain scores on tests of letter identification and concepts about print were not statistically different for full- *versus* half-day kindergartners. Similarly, a study of 1,830 kindergartners in a large urban school district in Indiana analyzed third-grade test scores on the ISTEP in math and language and found no statistically significant findings to indicate a benefit to third-graders from their previous full-day kindergarten program. On the other hand, one study of 97 kindergartners in half-day and 76 kindergartners in full-day in Evansville found long-term benefits in academics and student grades for every dimension.

The differences in the findings between Evansville and the larger-scale evaluations may point to a common problem with evaluating all early education

Four of the seven studies on full-day kindergarten in Indiana public schools found no statistically significant differences between children in half-day versus full-day programs.

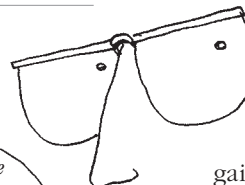
programs from Head Start to full-day kindergarten: It is easy to get positive effects in small-scale programs but difficult to maintain student outcomes when these programs go to scale with large groups of children. The bottom line for Indiana full-day programs was best summed up by the CEEP researchers themselves: "The Indiana research suggests that there are no negative outcomes commonly associated with full-day kindergarten, and that at worst full-day kindergarten and half-day kindergarten have similar effects."

While this may demonstrate that full-day kindergarten is not harmful, it is hardly a ringing endorsement for the state to invest millions of dollars in a couple more hours of kindergarten education.

The Indiana studies reflect the findings of the largest national study on full-day kindergarten. The NCES and ECLS-K assessed 22,000 children at kindergarten entry and most recently reported on those students through the third grade. The data set is the only one of its kind, giving researchers information on dozens of variables that influence student achievement, and, importantly, allowing them to control for the impact of kindergarten programs.

The ECLS-K research shows the same pattern documented by hundreds of early education studies: children in full-day kindergarten are afforded a modest academic edge over children in half-day kindergarten when measured at the end of the kindergarten year. However, that initial edge completely disappears by third grade.

At the end of the kindergarten year, the researchers find there is "little meaningful difference" on reading and math test scores between all-day and part-day kindergartners. They write, "In terms of kindergarten program type (*i.e.*, all day or part day), there is little meaningful difference in the level of children's end-of-year reading and mathematics knowledge."¹⁴ What is the difference? "On a reading scale that ranged from zero to 72, the average kindergartner in a full-day program gained 10.6 points over the



History will enable our citizens to know ambition under every disguise; and knowing it, defeat its views."
(Thomas Jefferson)

school year. For children in half-day kindergarten programs, the average gain was 9.4 points."¹⁵ Final reading scores were 32.1 and 31.3, respectively. The findings in mathematics are parallel.¹⁶ The difference is modest, and all the more modest considering full-day students spend twice as much time in school as their half-day peers.

Importantly, the "little meaningful difference" observed at the end of the kindergarten year no longer exists by third grade. By the end of third grade, the researchers no longer detect a difference between students who attended part-day or full-day programs.

They write, "This report did not detect any substantive differences in children's third-grade achievement relative to the type of kindergarten program (full-day *versus* half-day) they attended."¹⁷

The finding holds across all subject matters tested. "Third-grade reading, mathematics and science achievement did not differ substantively by children's sex or kindergarten program type."¹⁸

The NCES reports document on a large scale the piecemeal findings on early education that have been trickling in for years in Indiana and other localities: in the short-term, more early education may confer more gains than lesser amounts of early education, but over time, those advantages are not sustained. Unless or until the elementary and secondary school system is improved, it is unlikely that full-day kindergarten will lead to long-term measurable improvement in school achievement.

While full-day kindergarten may be politically popular, it is no silver bullet to fix the academic performance issues that often plague K-12 schools.

For Indiana, the question becomes should the state be investing in full-day kindergarten programs that have shown mixed results and "fade out" by third grade or should the state be investing scarce education resources to improve performance in the later grades where student achievement begins to falter? □

On a reading scale that ranged from zero to 72, the average kindergartner in a full-day program gained 10.6 points over the school year. For children in half-day kindergarten programs, the average gain was 9.4 points

Endnotes

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Smart Is as Smart Does

Some say that the public schools are so awful that there is huge room for improvement in academic performance just by improving education. There are two problems with that position. The first is that the numbers used to indict the public schools are missing a crucial component. For example, in the 2005 round of the National Assessment of Educational Progress (NAEP), 36 percent of all fourth-graders were below the NAEP's 'basic achievement' score in reading. It sounds like a terrible record. But we know from the mathematics of the normal distribution that 36 percent of fourth-graders also have IQs lower than 95. What IQ is necessary to give a child a reasonable chance to meet the NAEP's basic achievement score? Remarkably, it appears that no one has tried to answer that question. We only know for sure that if the bar for basic achievement is meaningfully defined, some substantial proportion of students will be unable to meet it no matter how well they are taught.

Charles Murray, excerpt, "Intelligence in the Classroom," the Jan. 16, 2007, Wall Street Journal

Unless or until the elementary and secondary school system is improved, it is unlikely that full-day kindergarten will lead to long-term measurable improvement in school achievement.

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8. Nicholas Zill and Jerry West, "Entering Kindergarten: A Portrait of American Children When They Begin School," U.S. Department of Education, National Center for Education Statistics, NCES 2001-035, January 2001: p. 6.

9. U.S. Department of Education, National Center for Education Statistics, "America's Kindergartners," NCES 2000-070, February 2000: p. 16.

10. *Ibid.*, p. 17.

11. Ninety-six percent rank physical health as very important or essential, followed by 84 percent ranking communicating needs as very important or essential, followed by 76 percent ranking enthusiasm in approaching new activities as very important or essential. We do not examine the second factor, communication, because there is no corresponding measure for this factor in the NCES data. U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics 1996*, Table 48, available at nces.ed.gov/programs/digest/d96/D96T048.asp (accessed January 18, 2005).

12. Parents report that 92 percent of children are eager to learn. However, teachers report that 75 percent are eager to learn — highlighting the subjective nature of these measures. U.S. Department

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16. West, Denton and Reaney, "The Kindergarten Year," Table 2, p. 44, available at nces.ed.gov/pubs2001/2001023.pdf (accessed Jan. 18, 2005).

17. Amy Rathburn, Jerry West and Elvira Germino-Hausken, "From Kindergarten Through Third Grade: Children's Beginning School Experiences," U.S. Department of Education, National Center for Education Statistics, NCES 2004-007, August 2004, p. 33, available at nces.ed.gov/pubs2004/2004007.pdf (accessed Jan. 18, 2005).

18. *Ibid.*, p. 24.

Too Many Facts for This Journalist

An example of the media coverage that has accompanied Gov. Mitch Daniels' campaign for all-day kindergarten:

About an hour into Monday's Indiana Education Roundtable meeting, it became clear the group's debate over full-day kindergarten was suffering from a case of the 'nitty-gritties.' As in: We all love the concept, but let's keep arguing about the perfect way to implement the program. Or: We certainly need full-day kindergarten, but perhaps we should read a thousand more studies first. The school superintendents, college presidents and union leaders on hand talked about 'putting the foundation together' and 'listening to our practitioners.' After all these years of talking about full-day kindergarten, the group talked even more — about whether to implement the program now or to phase it in.

It was all well-intended, of course. When Ivy Tech Vice President Carol D'Amico called for a phase-in, saying, 'Let's do it right the first time,' she was clearly sincere. The same went for State Teachers Association President Judy Briganti, who shot back, 'We've been phasing this in for at least 15 years.'

— Matthew Tully, an Indianapolis *Star* political columnist, excerpt, Nov. 29, 2006

CHARTER SCHOOLS

There's a bias against experimentation built into Indiana's charter school law



Just two nonprofit organizations can authorize a start-up charter school under Indiana law: public state universities and the mayor of Indianapolis. And herein may be Indiana's biggest constraint on unleashing the potential of this powerful education-reform strategy.

by **MATTHEW CARR**

Indiana is one of 40 states along with the District of Columbia that allows for the creation of charter schools. Unfortunately, Hoosiers have not benefited significantly from charter schools in part because overly restrictive state laws have limited their potential for innovation and use as a vehicle for educational entrepreneurship.

Defining a Charter School

Charter schools are public schools of choice that typically operate with greater freedom from restrictive state laws and regulations than traditional public schools. They also face greater accountability since their ability to operate is tied directly to a performance contract or charter (hence the term “charter schools”). The specific nature of charter school programs varies from state to state, each one unique to the particular statutes creating them.

The Indiana Department of Education describes charter schools as public schools “established to serve the different learning styles and needs of public school students, to offer public school students appropriate and innovative choice”

As public schools, charter schools cannot discriminate in their admission policies and must have open enrollment. The schools face the same testing and reporting requirements as traditional public schools.

Charter schools can be created in one of two ways: Starting one from scratch (a “start-up”) or converting a traditional public school to a charter school (a “conversion”). Both conversions and start-ups are permitted under

Indiana’s charter school law. Conversion charters are authorized by local school districts. Start-up charters, on the other hand, are authorized by organizations independent of the local school districts.

Just two independent authorizers can approve a start-up charter school under the Indiana law: public state universities and the mayor of Indianapolis. Herein may be Indiana’s biggest constraint on unleashing the potential of this powerful education-reform strategy. States that allow a wider range of nonprofit organizations, including state boards of education and private philanthropic organizations, experience greater charter school activity, entrepreneurship and innovation.

Charter Schools in Indiana

According to the Charter School Association of Indiana, 36 charter schools operate in the state. Only three are conversion charters. Data from the state department of education show that charter schools enrolled at least 7,500 students in the 2005-2006 school year. Start-up charter schools have been authorized by the mayor of Indianapolis (15) and by Ball State University (18).

While the proficiency rates of charter schools are, on average, lower than the statewide rates, charter schools are located in only a few areas of the state, primarily Indianapolis and Gary, and target children with some of the most difficult learning challenges. The results from a report done by the Ball State University Office of Charter School Research on the ISTEP+ proficiency passage rates of start-up charters in the 2004-2005 school year are provided in



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Programs in other states provide sound guidance for opening up the authorizing process to nonprofit groups such as community education foundations, secular charitable organizations and churches.

Table 1. (Unfortunately, the report did not provide data on ethnicity or the socioeconomic background of the students.) Studies of charter school performance in other states, most notably Ohio, found that student performance outpaced their traditional public school counterparts when compared to urban districts.

Table 1

Charter School ISTEP+ Proficiency Passage Rates in 2004-2005

Grade	English	Math	English and Math
3	55.5	47.5	39
4	48.5	48	38
5	54.5	49	43
6	54	52	42
7	54	51.5	38
8	58	67	50
9	32	42	32
10	24	14.5	12.5

Source: Ball State University Office of Charter School Research, *Indiana Charter Schools Report 2004-2005*

Under the current charter school law, an unlimited number of conversion charter schools can be opened in theory. In practice, traditional public schools have always viewed the independence of charter schools with skepticism and strongly resisted their expansion.

This bias against independent experimentation is evident in Indiana's charter school law: the mayor of Indianapolis can authorize a maximum of five charter schools per year. This may, in part, account for the relatively small number of charter schools operating in the state since Indianapolis is the largest and most urban school district. Ball State is the only university that has chosen to take on the challenge of chartering a new school. Local school districts do not appear to have yet realized the potential the charter school law holds for them since only three schools have been converted to an independent charter status.

This result is unfortunate because the state's charter school law has been lauded as among the strongest in the country by the Center for Education Reform, a private nonprofit education reform organization

based in Washington, D.C. The grade is based in large part on how much autonomy is granted to charter schools and the fairness of the funding system. Indiana, fortunately, also doesn't require local school boards to approve the creation of charter schools. School board approval of new charter schools is a limitation that has effectively shut down meaningful experimentation in other states.

Avenues for Charter School Reform

Much of the difficult groundwork for building a stable and accountable charter school system has already been laid. However, early policies designed to restrain the growth of charter schools are no longer necessary. The time has come to remove some of these early impediments so that other benefits from the system can be reaped now that it has matured.

The single most important recommendation for reform at this point is to increase the number of eligible charter school authorizers. Programs in other states provide sound guidance for opening up the authorizing process to nonprofit groups that are accredited by the state education department, including community education foundations, secular charitable organizations and churches (as long as they use a secular curriculum).

Indiana's public universities, with the exception of Ball State, have shown little interest thus far in authorizing charter schools. Similarly, local public school districts have largely ignored their authority to create conversion charters. Traditional public schools that feel competition from start-up charter schools are far more likely to utilize their ability to create conversion schools to create their own unique and innovative programs in response. The conversion authority provided in Indiana's charter law holds promise, but lacks a catalyst for use without sufficient numbers of start-up charters as well.

Increasing the number of charter schools, while maintaining fealty to the principle of high quality, can best be done by allowing accredited independent organizations to authorize schools. Indiana has built a solid framework for a successful charter school program. The time has come to let it grow.



THE HISTORY OF COLLECTIVE BARGAINING IN INDIANA

Both teachers and students are stuck with a union model meant for the Detroit auto industry of the 1970s; it treats educators as interchangeable parts, rewarding mediocrity and discouraging excellence

The legislative calculus of 1972 said GOP Gov. Otis Bowen needed only three Democrat votes to keep a campaign promise. And the Democrats were in the mood to make a deal, i.e., temporary property tax reform in exchange for a permanently unionized school system.

The following is taken from a larger foundation work, "Public Education Without Romance: The Impact of Collective Bargaining on Indiana Schools."¹

In the election year of 1972, the Republican candidate for governor, Dr. Otis Bowen, campaigned on a promise of "substantial, visible and lasting" property tax relief. Such promises apparently had more resonance in 1972 than they do today. Bowen's victory is often attributed to his non-threatening, grandfatherly presence but some credit should be given to his tax-relief promise. At least Governor Bowen thought so. He attempted to keep his promise of property-tax relief.

It should have been easy. Republicans controlled both the Senate and the House. Property-tax relief made it necessary, however, to make up for lost revenues to the state. Accordingly, the governor's plan included increases in other taxes, notably sales and corporate income taxes. These proposed tax increases did not sit well with a group of conservative Republican senators. This so-called Group of Six

stood in the way of Bowen keeping his promise.

As good politicians have always done when confronted with adversity, Governor Bowen sought out bipartisan support for his plan. If his own Republicans would not maintain ranks, he would find support on the other side of the political aisle among the Democrats. The legislative calculus said he only needed three Democrat votes. Sure enough, the Democrats, led by a colorful former sheriff, Jimmy Plaskett, were in the mood to make a deal and they knew exactly what price they would extract for allowing Bowen to keep his campaign promise.

During the years preceding the early seventies, the National Education Association (NEA) transformed itself from an association of professional educators into a labor union. Like all labor unions, the NEA needed special powers granted by government in order to achieve its goals. The keystone of NEA viability was achieving the monopoly status of exclusive representative under state laws mandating collective bargaining for teachers. During

The keystone of NEA viability was achieving the monopoly status of exclusive representative under state laws mandating collective bargaining for teachers.

these years, the NEA conducted a nationwide campaign to pass collective-bargaining laws for teachers in statehouses across the country. They were successful. In 1960, collective bargaining for teachers was illegal in many states. By 1970, 23 states had passed some form of collective-bargaining law for teachers. By 1980, 31 states had adopted such laws.² Democrat state legislators were natural allies of the NEA and their state-level affiliates such as the Indiana State Teachers Association.

Therefore, when Bowen reached across the aisle in 1973 for help in passing his property tax relief plan, the Democrats were ready with a deal. In exchange for a few Democrats supporting property tax relief, the Republicans would have to support a collective-bargaining law. It would be a law that enabled the teacher unions to achieve exclusive representative status with the support of only a bare majority of the teachers.

Indiana got its property tax relief but at the price of unionized public schools. Moreover, as the Republican Group of Six foresaw, property tax relief did not in fact prove lasting. In spite of Governor Bowen's efforts to hold the line, his successors, both Republican and Democrat, proved uncommitted to his promise. The additional sales and other taxes are still with us, of course. The ISTA and the NEA got breakthrough legislation that forever changed public education and the political balance of power in Indiana. When Hoosiers contemplate the state of public education, they would do well to remember Bowen's ill-fated deal to reform property taxes more than 30 years ago.

The Indiana Collective Bargaining Law (CBL)(Public Law 217 of 1973), to be found at Indiana Code 20-7.5-1 et seq., became effective on Jan. 1, 1974. Although there have been numerous small and technical amendments to the CBL since 1974, with the exception of the prohibition of "fair-share" fees added in 1995 (discussed in full in the 2002 study), the basic operation of the statute remains as originally drafted.

As one would expect, the CBL has been the focus of numerous lawsuits. Until 1995, the statute contained no prohibition of so-called fair-share fees. Many original collective-bargaining agreements

contained "agency-shop" clauses in which school corporations agreed to collect fees equivalent to union dues from teachers who chose not to join the union. These fees were turned over to the union. Paying them was a condition of employment for non-union teachers. The agency-shop clauses and fair-share fees were challenged in court. In an early case, Indiana's Second Circuit Court of Appeals declared agency-shop clauses void.³ The court reasoned that:

(T)he scope of collective bargaining by schools must be restricted because schools have duties to the public, to the Legislature and to employees as individuals which they must not be permitted to bargain away. . . . The decision to retain or dismiss a teacher has been delegated by the state Legislature to school corporations and school corporations are forbidden to encumber their discretion in this area . . . and may not make collective-bargaining agreements in which they undertake to fire an entire class of teachers.⁴

The Second Circuit's analysis did not stand for long. Other Indiana Courts of Appeal quickly lined up in support of agency-shop clauses and fair-share fees,⁵ relying in large part on the United State Supreme Court's decision in *Abood vs. Detroit Board of Education*.⁶ Eventually, Indiana's General Assembly was persuaded that the Second Circuit's analysis in *Anderson Federation of Teachers vs. Alexander* was the correct one and the CBL was amended in 1995 to expressly prohibit fair-share fees.

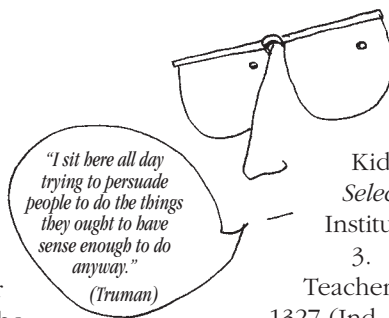
The no-strike provision of the CBL was tested in *School City of East Chicago vs. The East Chicago Federation of Teachers*.⁷ The Third Circuit Court of Appeals held that the effect of the no-strike provision of the CBL was to remove striking teachers from the protection otherwise afforded by the statute. The court also upheld the enforceability of binding arbitration clauses in collective-bargaining agreements but voided an arbitrator's attempt to impose punitive damages as being against public policy. More recently, the National Education Association of South Bend flagrantly violated the no-strike clause as well as a temporary restraining order

As a matter of law today, any Indiana school corporation has a duty to initiate discussions with the union whenever it is considering a change from an existing practice with respect to any “discussible” subject. In effect, that means whenever it wants to manage its own schools.

issued by the court. In *NEA of South Bend vs. South Bend Community Schools*,⁸ the Court of Appeals upheld the lower court’s findings that the union was in contempt of court. Fines were imposed on both the ISTA (\$175,000) and its local chapter (\$25,000). The “mutual obligation” to “discuss” specified matters contained in Section 5 of the CBL (discussed below) has also been the focus of litigation. Early on, the Indiana Supreme Court upheld a lower court decision that a new teacher evaluation plan was a “discussible” matter.⁹ The Supreme Court went on to add that a school employer is not prohibited from conferring with anyone it chooses in order to gain information about a discussible subject, provided that such conferring was not the “sole instrumentality” used in establishing policy regarding such discussible subject. More recent cases have confirmed the “sole instrumentality” rule.¹⁰ In another important case about the mutual duty to discuss, Indiana’s Fourth Circuit Court of Appeals held that a school corporation has a duty to initiate discussions with the union whenever it is considering a change from an existing practice with respect to any discussible subject. Since the list of discussible subjects in Section 5 of the CBL includes about everything involved in operating a school, including “working conditions,” this decision means that school administrators cannot change anything about running the school without discussing it first with the union. Q

Endnotes

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3. *Anderson Federation of Teachers vs. Alexander*, 416 NE2d 1327 (Ind. App. 2nd 1981).

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5. See, e.g., *Fort Wayne Education Association vs. Goetz*, 443 NE2d 364 (Ind. App. 4th 1982); *New Prairie Classroom Teachers’ Association vs. Stewart*, 460 NE2d 149 (Ind. App. 4th 1983); *Abels vs. Monroe County Education Association*, 489 NE2d 541 (Ind. App. 1st 1986).

6. 431 U.S. 209 (1977).

7. 422 NE2d 656 (Ind. App. 3rd 1981).

8. 655 NE2d 516 (Ind. App. 1995).

9. *Evansville-Vanderburgh Schools vs. Roberts*, 405 NE2d 895 (Ind. 1980).

10. See, e.g., *Marion Teachers’ Association vs. Board of School Trustees*, 672 NE2d 1364 (Ind. 1996); *Board of School Trustees vs. Highland Teachers*, 623 NE2d 1079 (Ind. App. 3rd 1993).

The ABCs of Public Education

While funds devoted to public school education have trebled, students’ performance has languished. So what’s going on? Here are the ABCs:

a) The public school system is a monopoly. The government has conferred state monopoly status on public schools by funding them with taxpayer money and apportioning them, one to an area, and then directing a steady stream of students to them according to students’ residential location.

b) A monopoly serves the monopolists first, not its customers. Monopolists know that their customers have little choice but to get their goods or services from the monopoly, so prices are higher than they might be under competition and the quality of goods or services is a minor consideration.

c) Just as more money has not provided a remedy in the past, it will not miraculously do so in the future. As long as the government directs money and students to public schools, the current situation will continue and more money will make it worse. Many public schools will continue to offer inferior education for higher prices. The remedy can only come from introducing competition into the public school market.

— *The Wall Street Journal*, Dec. 20, 2000



GIVING UP ON GEYER: A SCHOOL THAT COULDN'T BE FIXED

*The No Child Left Behind law was the
wrong idea at the wrong time*

Washington hoped that federal teeth and incentives would force struggling school systems to raise standards, expectations and test scores. Critics predicted that federal meddling would make things worse as schools lost flexibility over curriculum and testing. To some degree, both were right.

by **ANDREA NEAL**

Fort Wayne's Geyer Middle School, proudly dubbed "home of the Blazers," was just what Congress had in mind when it passed the No Child Left Behind Act in 2001. The law was supposed to increase accountability and raise achievement at the nation's public schools.

It didn't work at Geyer. And it may not work at the hundreds of schools like Geyer around the country.

Geyer closed its doors in June 2006, and students were shipped off to other middle schools in Fort Wayne, a city of 205,000. Over the summer, Geyer was spiffed up, renamed and converted into a magnet Montessori program serving an altogether different population. "We wanted to be proactive," said then-School Board President Geoff Paddock of the decision to close Geyer. "We wanted to improve a neighborhood on the south side. We wanted to see what we could do ourselves before the government told us what to do."

There's no disputing that the No Child Left Behind Act (NCLB) is a big-time example of the government telling schools what to do. In the view of many,

it's a flagrant violation of the principles of federalism, which dictate that education is a state responsibility, not a federal one. But a bipartisan congressional majority deemed that states were failing the children, so Congress had no choice but to act. The question now is whether the law can make a dent in the problem.

At Geyer, almost all of the students were poor. Eighty-two percent were minorities. Twenty percent struggled with English. Eighteen percent were in special education. Its passage rate on the ISTEP test was 42.6 percent in 2005, compared with a statewide average of 72.9 percent.

Under NCLB, failing schools must improve dramatically or face sanctions, including the prospect of a takeover by the state. For four years in a row, Geyer failed to meet achievement targets.

It wasn't for lack of trying, said John Kline, director of school improvement systems for Fort Wayne Community Schools:

"We've tried multiple different principals. Almost every principal made a little bit of gain, but it doesn't hold. The task is complex . . . test scores didn't



Andrea Neal, an adjunct scholar and columnist with the foundation's Indiana Writer's Group, teaches eighth-grade history at St. Richard's School in Indianapolis. This updates a five-part series commissioned by the foundation and published in the Indianapolis Star and other state newspapers.

All but one of Fort Wayne's middle schools missed improvement goals for 2005. So, in essence, the Geyer children left one underachieving school for another.

respond in a way that looked like they were accelerating fast enough to avoid the sanctions of NCLB.”

NCLB was signed into law amidst both fear and fanfare. Its advocates hoped that federal teeth and incentives would force struggling school systems to raise standards, expectations and test scores. Critics predicted that federal meddling would make things worse as schools lost flexibility over curriculum and testing. To some degree, the predictions of both have come true.

According to a Center on Education Policy report, the percentage of students scoring at proficient levels or higher on standardized tests is rising, as hoped. “Evidence from our study suggests that increased learning accounts for some of the improvement in state test results,” the report stated.

Yet the number of schools classified as failing is rising, too. NCLB requires that schools record achievement gains every year and among all subcategories of students: black, white, non-English speaking, even special education. By 2014, 100 percent of students are to be proficient in math and language arts.

An unreachable goal? Maybe. Less than half — 49.3 percent — of Indiana schools met Adequate Yearly Progress targets in 2005, down considerably from 60 percent in 2004, 76 percent in 2003 and 77 percent in 2002. Disappointing results on the state’s 2006 ISTEP test ensure that Geyer will be remembered as but one of the first in a long list of schools that faced restructuring or state takeover.

In Fort Wayne, school officials gave up on Geyer before the full range of sanctions could kick in. Liam Julian of the Thomas B. Fordham Foundation, a school reform organization, said that’s a good thing if students end up at better schools.

“What you have to do is bite the bullet, close that school down, find other ways to give those students more educational choice options,” Julian said. “If there is a school that has repeatedly failed to demonstrate progress, we think the students ought to have the opportunity to go to a better school.”

Geyer’s students either applied to a new school through the district’s public school choice program or accepted automatic

reassignment based on geographic factors. The biggest group went to Miami Middle School, which had higher test scores than Geyer’s but like Geyer had spent four consecutive years on the failing schools list. All but one of Fort Wayne’s middle schools missed improvement goals for 2005. And the situation is not improving for Geyer’s former students. In 2006, Miami’s ISTEP passage rate dropped further, from 49 percent to 46 percent. In essence, the children left one underachieving school for another.

That fact points to what may be the biggest challenge of No Child Left Behind: Figuring out how to quickly fix failing schools. If NCLB is to be a success, we can’t just give up on schools like Geyer. We must transform them.

Scientific-Based Research

The most promising part of the No Child Left Behind Act is language requiring schools to use research-based practices. Yet it’s the least embraced by the educational establishment.

The phrase “scientifically based research” appears 111 times in NCLB, a sign of Congress’s commitment to doing things differently. When schools land on the federal failure list, they are supposed to respond with immediate changes implementing “scientifically based” instructional strategies. In practice, it’s not so easy. One look at Geyer in Fort Wayne helps explain why.

Federal law required Geyer, on the ropes after several years of low test scores, to devise a school improvement plan detailing how students would achieve mastery of tested skills.

Under the plan, 73 percent of Geyer’s students were to have met Indiana state standards in language arts by the fall of 2008; 72 percent were to have met state standards in math. It was a lofty goal considering that, in 2005, only 33 percent passed the language arts portion of ISTEP and only 47 percent passed the math test.

If the testing goals were ambitious, the improvement plan reflected the *status quo*. Its action steps largely repeated language found in the school corporation’s curriculum manuals. Nothing in the plan

If failing schools want to do more than nudge test scores up slightly, they will need to make more radical changes in curriculum and teaching methods. They need the flexibility to deviate from school corporation curriculum guidelines. Doing more of the same won't cut it.

called for a dramatic change in content or teaching technique. Although the plan described Fort Wayne's literacy and math programs as research-based, there was no data to support that claim.

In the Fort Wayne Community Schools Corporation, as in many school districts across the country, schools follow a uniform curriculum model and sequence of instruction that's been hammered out by administrators and teachers and aligned with state academic standards. Textbooks are chosen from state-approved lists. There's no science behind any of it.

Fort Wayne Community Schools Curriculum Services Director Schauna Findlay, Ph.D., expresses a common frustration with NCLB when she challenges the notion of scientifically proven instructional programs. There is "no literacy-based program that meets the definition" of science, she says.

It's true that, at the middle-school level, little research has been done to verify the effectiveness of language arts programs. To date, the bulk of studies has focused on elementary school instruction in reading and kindergarten-to-12th grade programs in math. But even where the

science is clear — as in the debate between phonics and whole language at the primary grades — educators resist the idea that there's a preferred way to teach reading. For whatever reason, the education field has been slow to accept that teaching methods and material can be empirically evaluated.

Sue Heath, research editor for Wrightslaw, an advocacy organization for special education issues, says it's a multi-layered problem.

"Few if any teachers colleges in the United States are training teachers in even one research-based method of reading instruction. . . . The problem is that school districts do not require the training as a condition of employment. States do not require the training as a condition of certification. Teachers colleges do not require the training as a condition of graduation."

Fortunately, NCLB has inspired a wave of academic research aimed at identifying best practices. The What Works Clearinghouse was established in 2002 by the U.S. Department of Education to collect and distribute scientific evidence. Its website, www.whatworks.ed.gov, already

'No Child Left Behind Is Beyond Uninformative; It Is Deceptive'

Test scores are the last refuge of the No Child Left Behind Act (NCLB). They have to be, because so little else about the act is attractive. NCLB takes a giant step toward nationalizing elementary and secondary education, a disaster for federalism. It pushes classrooms toward relentless drilling, not something that inspires able people to become teachers or makes children eager to learn. It holds good students hostage to the performance of the least talented, at a time when the economic future of the country depends more than ever on the performance of the most talented. The one aspect of the act that could have inspired enthusiasm from me, promoting school choice, has fallen far short of its hopes. The only way to justify NCLB is through compelling evidence that test scores are improving. So let's talk about test scores.

The case that NCLB has failed to raise test scores had been made most comprehensively in a report from the Civil Rights Project at Harvard University, released just a few weeks ago. The Civil Rights Project has an openly liberal political agenda, but the author of the report, Jaekyung Lee, lays out the data in graphs that anyone can follow, subjects them to appropriate statistical analyses, and arrives at conclusions that can stand on their scholarly merits: NCLB has not had a significant impact on overall test scores and has not narrowed the racial and socioeconomic achievement gap.

Is it too early to tell? As a parent who has had children in public schools since NCLB began, I don't think so. The Frederick County, Md., schools our children have attended have turned themselves inside out to try to produce the right test results, with dismaying effects on the content of classroom instruction and devastating effects on teacher morale. We actually lost our best English teacher to the effects of high-stakes testing. "I want to teach my students how to write," he said, "not teach them how to pass a test that says they can write." He quit.

So, yes, I think that if we parents have had to put up with these kinds of troubling effects on our children's schooling for four years, we are entitled to expect evidence of results. After all, "accountability" is NCLB's favorite word, and the Department of Education is holding school systems accountable for improvements in test scores with a vengeance. Sauce for the goose, sauce for the gander. — *Excerpted from Charles Murray in the Wall Street Journal, July 25, 2006*

Closing Geyer was an admission of failure but the superintendent never considered reopening it as a charter school or hiring a private or non-profit business to take over the building, a concept that has worked well in other communities.

has posted analyses of middle-school math programs. Middle-school language arts programs will be added soon. Liam Julian, with the Thomas B. Fordham Foundation, said programs with track records could be used now. “There is evidence to support several approaches to teaching middle school students who are poor readers.” He cites the LANGUAGE! curriculum, published by Sopris West Educational Services; and direct instruction programs, such as Corrective Reading, published by SRA International.

Mary Lowery, who served as acting principal at Geyer, implemented a reading remediation program called Voyager Passport that had received good reviews from other school districts around the country. It appeared to meet the federal definition of “scientifically based.” But any gains made because of it were too late to show up on September 2005 ISTEP scores.

This much is clear: If failing schools want to do more than nudge test scores up slightly, they will need to make more radical changes in curriculum and teaching methods. They need the flexibility to deviate from school corporation curriculum guidelines. Doing more of the same won’t cut it.

Mary Lowery

Administrators in Fort Wayne Community Schools wanted to make sure Geyer students enjoyed a positive, productive final year. So they lured a no-nonsense principal, Mary Lowery, out of retirement and asked her to do her best.

Her formula for leading a failing school? “We re-teach. We remediate. For those children who don’t need remediation, we enrich.”

If you walked through the halls, you’d have seen anything but the stereotype of classroom chaos. Students wore uniforms — navy shirts and khaki pants — and carried assignment books. Lowery called children by name. Classrooms were small, interactive and orderly. Teachers set goals together and studied test scores. Rules were clear and consequences for rule-breakers firm. Lowery believes that with time she could have gotten Geyer

off the federal government’s list of failing schools. But time wasn’t on her side, and neither was ISTEP. Because ISTEP testing took place in the fall, there was no way of judging the impact of Lowery’s tenure.

Well before Lowery arrived, Fort Wayne school officials had decided to close Geyer and replace it with a Montessori magnet program serving a different population. Towles Intermediate School replaced Geyer when school resumed in August. Superintendent Wendy Robinson said the district hopes to build on the success of the district’s Montessori elementary program, which has a waiting list and some of the highest test scores in the system.

Closing Geyer was an admission of failure, expanding Montessori an experiment of unknown promise. There’s little research documenting Montessori outcomes in public school settings, especially in high-poverty areas. Typically, Montessori schools serve students of higher socioeconomic status with parents committed to the Montessori method, which stresses child-centered learning and hands-on activities.

The Indianapolis Public Schools Superintendent, Eugene White, whose son went to Geyer, said the Montessori model “works very well” in inner-city Indianapolis. Rousseau McClellan School — a kindergarten to Grade 8 Montessori — has met federal Adequate Yearly Progress goals four years running and has some of the highest ISTEP scores in Marion County. McClellan’s children aren’t nearly as poor as Geyer’s, but they’re not affluent. Its student body is 66 percent minority and 49 percent on free- or reduced-price lunch. Its 2006 ISTEP passage rate? An impressive 81.5 percent.

A recent study compared high school achievement in Milwaukee Public Schools of students who completed Montessori education through fifth grade with those who went through traditional classes. Although the study found no significant difference in English and social studies scores or grade-point averages, “students who had participated in the Montessori program significantly out-performed the peer control group on math-science scores.”

Montessori is a system designed to begin in the primary grades before children learn

Just throwing money at poor schools hasn't made a dent in the problem. Since 1965, the government has spent more than \$340 billion on Title I, the federal program that supplements state and local funding of schools such as Geyer that serve predominantly poor populations.

to read. In districts such as Fort Wayne, where all but one middle school missed federal achievement goals, other models may offer more immediate hope for struggling students.

Fort Wayne never considered reopening Geyer as a charter school or hiring a private or non-profit business to take over the building, Robinson said. But the concept has worked well in other communities.

There's no better example than KIPP (Knowledge Is Power Program) Academy, a middle-school model launched in 1994 in Texas by Teach for America alumni David Levin and Michael Feinberg.

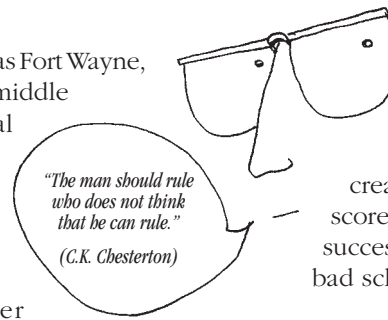
In 1995, Levin moved to New York and founded KIPP Academy in the impoverished South Bronx. In 2000 it became a New York City Department of Education charter school, a form of public school exempt from many state and local regulations. In 2006, for the ninth consecutive year, KIPP was the highest-performing public middle school in the Bronx in reading scores, math scores and attendance.

Chief elements of the KIPP philosophy are: a longer school day, remedial classes on Saturdays, constant communication with parents, 90-minute blocks for reading and math and weekly tests and quizzes to monitor students' progress and identify areas of weakness.

A non-profit organization helps train teachers and implement the KIPP model in interested communities. There are currently 38 KIPP schools in the United States serving close to 20,000 students, including one that opened in Indianapolis in 2004-2005.

KIPP Indianapolis, 93 percent poor and 95 percent black, has 215 students in fifth, sixth and seventh grades and will expand to include eighth grade in 2007-2008. During its inaugural year, 26.7 percent passed ISTEP. Forty-three percent passed the 2005 test, a remarkable gain in a single year, although still far below federal requirements. In 2006, the school's passage rate was 56.4 percent.

Like any other public school, KIPP is subject to the demands of No



Child Left Behind and appears well on its way to meeting them. If NCLB does nothing else, it will create a rich database of test scores that will identify the most successful models for transforming bad schools.

'Highly Qualified' Teachers?

According to the Indiana Department of Education, more than 95 percent of Indiana's teachers are highly qualified under terms of the No Child Left Behind Act. A full 100 percent receive the highest quality professional development each year.

Which begs the question: If Indiana's teachers are so good, why are 51 percent of our public schools failing?

Few educational assumptions have been tested and documented as clearly as the link between teacher effectiveness and student achievement. That's why Congress made improving teacher quality a priority of NCLB.

The Indiana Department of Education labels teachers "highly qualified" as long as they are licensed in their teaching area, hold a bachelor's degree and have demonstrated competence in one of several ways, such as passing an exam.

But being qualified isn't the same thing as being good. In Indiana, schools can't evaluate teachers based on test scores, the primary factor used by the federal government in deciding if a school is failing.

Improving teacher quality stands out "for its potential to close the gap in academic achievement between students from traditionally poor, non-white, and/or urban backgrounds and their better-off peers," says the Center for Public Education, a joint initiative of the National School Boards Association and National School Boards Foundation.

Just throwing money at poor schools hasn't made a dent in the problem. Since 1965, the government has spent more than \$340 billion on Title I, the federal program that supplements state and local funding of schools that serve predominantly poor populations. Geyer clearly illustrates the achievement gap. The southside school,

If Indiana wants to improve the quality of its teacher corps, three things must change:

1. *The state must develop a pool of funds for “combat pay” to move the best teachers into communities with the highest rate of failing schools.*

2. *The legislature must change collective bargaining laws so school districts can pay teachers differently based on their subject area, performance in the classroom or their willingness to teach in disadvantaged areas.*

3. *The legislature must allow test scores to be used in judging teacher performance.*



“Giving money and power to government is like whiskey and car keys to teenage boys.”
(P.J. O'Rourke)

with an 82 percent minority student body and 89 percent of students on free- or reduced-price lunch, had an ISTEP passage rate of 42.6 percent, compared to the state average of 72.9 percent.

In the same school corporation, Shawnee Middle School is 33 percent minority and 43 percent on free- or reduced-price lunch. Its ISTEP pass rate: 70 percent. On the other demographic extreme is Thomas Jefferson Middle School in Valparaiso, 90 percent white and 79 percent paid lunch. Its ISTEP passage rate is 85 percent.

The work of Drs. William L. Sanders and June C. Rivers at the University of Tennessee has been especially influential in tying test scores to teacher effectiveness — and in showing why schools like Geyer need superior teachers. Among the findings:

- Teacher quality more heavily influences student performance than does race, class or school. Disadvantaged students benefit more from good teachers than do advantaged students.

- Achievement gains from having a high-quality teacher could be almost three times greater for African-American students than for white students, even when comparing students with the same prior school achievement.

- The benefits of teacher quality are cumulative. Fifth-grade math students in Tennessee who had three consecutive highly effective teachers scored between 52 and 54 percentile points ahead of students who had three consecutive “least-effective” teachers.

So how should Indiana address the fact that better teachers gravitate to more affluent school corporations? Two proposals have worked in other places: Merit pay to reward teachers with a track record of rising test scores and “combat pay” to lure the best teachers to underachieving schools.

An example is Mobile County (Ala.) Public Schools, which offers a bonus of \$4,000 for teachers to work in one of the district’s five lowest-performing schools.

One principal reported that the signing bonus “allowed me to attract top teachers.” Also in Mobile, teachers can earn up to \$4,000 in end-of-year bonuses for meeting school and individual performance goals.

That couldn’t happen at Geyer or anywhere else in Indiana. Collective bargaining agreements negotiated by unions prevent pay differentials for anything other than degree level and years of experience.

During the 2006 legislative session, Senate Bill 82, proposed by Sen. Teresa Lubbers, R-Indianapolis, would have allowed ISTEP scores to be used as one criterion in evaluating the performance of teachers. The bill went nowhere.

If Indiana wants to improve the quality of its teacher corps, three things need to happen: 1. The state should develop a pool of funds for “combat pay” to move the best teachers into communities with the highest rate of failing schools. 2. The legislature must change collective bargaining laws so school districts can pay teachers differently based on their subject area, performance in the classroom or their willingness to teach in disadvantaged areas. 3. The legislature must allow test scores to be used in judging teacher performance.

It makes no sense to hold schools accountable for 100 percent of their students passing ISTEP if it’s impossible to hold teachers accountable as well.

NCLB: Mixed Reviews

Mary Lowery went to Geyer with a mandate: to close with as much sensitivity as possible a failing school. Yet she harbors no bitterness toward the law that sealed Geyer’s fate.

“I don’t tend to look at things as a negative,” she says. “It is a mandate. This is what we have to do. It’s accountability. It’s holding all districts and schools accountable for the students’ learning.”

After four years on the No Child Left Behind failing school list, the Fort Wayne middle school closed for good on June 1. Administrators say the school had been on the district’s radar screen for years; that NCLB merely hastened its demise.

Under NCLB, public schools face escalating consequences each year they

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miss achievement goals. Title I schools face sanctions first: Parents get to switch their children to other public schools and obtain tutoring and remedial services. By year four, schools must take steps to reopen as charter schools, replace principals and staff, contract for private management or allow a state takeover.

At this writing, at least three Indiana schools have closed as a result of NCLB; state education officials have yet to assume management of a failing school.

Don't count on that happening on any large scale, says Indianapolis Public Schools Superintendent Eugene White. "They don't have the capacity or the expertise to get that done."

If testing trends continue, however, dozens of schools will qualify for state control. Fewer than half of Indiana schools met the federal government's Adequate Yearly Progress (AYP) standards in 2005, part of a continuous downward trend since the law took effect. Every year, more students are required to meet proficiency standards. By 2014, 100 percent of students are to show mastery on standardized tests. No group is exempt, including those who speak little English and those with special education challenges.

Fort Wayne's middle schools illustrate the challenge. In the year following Geyer's closing, eight of 11 schools saw their ISTEP scores drop. Wendy Robinson, superintendent of Fort Wayne Community Schools, said the law establishes an unreachable target for schools. "They're all going to fail. It's just a matter of time."

White agrees. "Eventually in Indiana we will evolve to the point of very few if any schools making AYP." The only exceptions, he said, would be schools that are small, affluent and homogeneous.

Many school-related advocacy groups are lobbying Congress for changes to the AYP requirements and for more money to fund remedial programs. Yet few are calling for repeal of the law, which has focused a spotlight on the nation's educational system and, in the view of many experts, already boosted achievement.

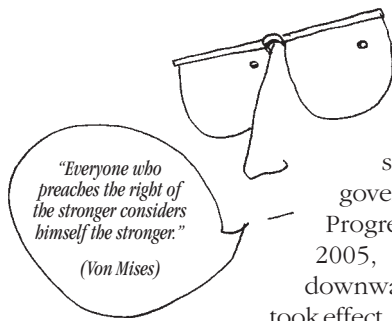
Marlin B. Creasy, superintendent of Muncie Community Schools, said one of the greatest benefits is that schools can't satisfy the law's requirements just by having high overall test scores. "School districts can no longer find comfort in the district or the individual school excelling, unless every sub-category is also showing marked improvement. NCLB rightfully focused attention on the achievement gaps that exist within our schools. I believe it has forced school districts to seek academic improvement for every child."

But the law goes too far, he said, by penalizing schools if a single group of students fails to meet AYP. Another "glaring weakness," he said, "is the lack of focus on continuous academic improvement for the individual child. The year-to-year snapshot does not follow the child. I am more interested in continuous improvement."

The Center on Education Policy, an independent education advocacy group, has studied the effects of NCLB closely and offers a similarly mixed review. On the plus side, "NCLB is changing teaching and instruction. There is a better use of test data and alignment of curriculum and instruction to standards." Chief weaknesses include "inadequate state and federal funding to cover costs related to increased testing, data collection and technical assistance to schools in need of improvement."

If NCLB is to succeed, it will be because states take seriously their constitutional responsibility for public education. The Indiana Department of Education doesn't need to run schools, but it should insist that chronically failing schools convert into charters based on models that work, like KIPP Academy. It should make sure families trapped in bad schools are given a wide range of alternatives. It should seek changes in collective bargaining so merit pay and signing bonuses can be offered to lure the best teachers into the worst schools. Where research exists to suggest superior curriculum or methods, the state should endorse those strategies.

Money itself does not make better schools. Federal intrusion does not make better schools. Forty years of Title I, and a widening achievement gap, are testament to that.



THE IPR BARBER POLL: The foundation polled 91 corresponding members (69 responding) between Nov. 30 and Dec. 15 on the question: "Drawing on your understanding of limited government and free markets, please rate Gov. Mitch Daniels' performance on the following issues (with 1 being the worst and 10 being the best)."

	1	2	3	4	5	6	7	8	9	10	Response Average
The Colts Stadium	31% (20)	17% (11)	9% (6)	5% (3)	12% (8)	5% (3)	8% (5)	9% (6)	3% (2)	2% (1)	3.71
Uniform Time Zone	18% (12)	3% (2)	6% (4)	4% (3)	7% (5)	3% (2)	6% (4)	10% (7)	10% (7)	31% (21)	6.48
Cigarette Tax	33% (22)	6% (4)	3% (2)	6% (4)	12% (8)	6% (4)	15% (10)	9% (6)	5% (3)	5% (3)	4.41
The Right of Private Property	12% (8)	2% (1)	5% (3)	6% (4)	26% (17)	11% (7)	11% (7)	11% (7)	11% (7)	8% (5)	5.76
The Indiana Economy	7% (5)	3% (2)	6% (4)	6% (4)	17% (12)	9% (6)	4% (3)	14% (10)	22% (15)	12% (8)	6.51
The Size of Government	6% (4)	6% (4)	13% (9)	4% (3)	22% (15)	7% (5)	10% (7)	16% (11)	9% (6)	6% (4)	5.69
Leadership Style	12% (8)	1% (1)	6% (4)	6% (4)	10% (7)	12% (8)	16% (11)	10% (7)	13% (9)	12% (8)	6.19
All-Day Kindergarten	27% (18)	3% (2)	18% (12)	3% (2)	18% (12)	6% (4)	6% (4)	10% (7)	3% (2)	6% (4)	4.36
Public-Employee Collective Bargaining	11% (7)	2% (1)	10% (6)	5% (3)	19% (12)	5% (3)	16% (10)	11% (7)	5% (3)	16% (10)	5.97
Toll-Road Lease	7% (5)	4% (3)	4% (3)	3% (2)	3% (2)	7% (5)	3% (2)	17% (12)	14% (10)	36% (25)	7.51
Total Respondents											69

Contrary to most media coverage of school labor disputes, union teachers never are "working without a contract." The Indiana Collective Bargaining Act says that a contract is in place until a new one is signed.

■ **Teachers in Bluffton Protest Salary Impasse**

A handful of teachers carried picket signs in the dark outside the Bluffton-Harrison Community Schools administration building before Monday's board meeting. Cheryl Beerbower, president of the Bluffton-Harrison Teachers Association, said the group wanted to come to the first meeting of the new year, with a newly elected board member, to remind administrators and school officials that the 80 to 90 teachers within the district are a strong and united group. "We're serious about our cause," Beerbower said. The district's teachers have been without a contract since July 31, 2005, and have had negotiations with three superintendents since the contract expired. (The Fort Wayne Journal Gazette, Jan. 9)

▲ This article contains a common error in coverage of labor disputes in our public school systems. It reports that the teachers "have been without a contract." In fact, by the provisions of the state Collective Bargaining Act, teacher contracts are in place indefinitely until replaced by a new contract. The word picture is of teachers (sometimes threatening an illegal strike) making the seemingly reasonable request for job stability for themselves and their families. The actual dynamic, however, is that the pressure to settle such a labor dispute is entirely on the administration. The benefits of the typical union teacher contract, enviable compared with under-funded private schools, are comfortably in force. Such provisions in the Collective Bargaining Act — and there are many of them — make negotiations between teacher unions and administrations one-sided affairs and ensure that teacher unions are unaccountable to classroom performance. It is the single thing that stands in the way of meaningful reform. It is an issue that newspapers need to address, not confuse.

■ **Law Schools and the Racial Runaround**

On Nov. 7, voters in Michigan passed Proposition 2, which prohibits state and local government from discriminating against or giving preferential treatment to — in the language of the ballot — "groups or individuals based on their race, gender,

The problem in the governor's office is not that anybody doubts that this emperor (public education) is naked, it's that nobody has the political courage to say so.

ethnicity or national origin for public employment, education or contracting purposes." The new law is supposed to take effect on Dec. 22. But it seems that affirmative action is not over yet. University of Michigan President Mary Sue Coleman apparently believes that the democratic process is valid only when the voters agree with her. On Nov. 8, Ms. Coleman vowed that she would "immediately begin exploring legal action" against Prop 2. (Wall Street Journal, Dec. 15)



THIS FLIPPANT DISCLAIMER was found on the index page of a January curriculum guide published by the Fort Wayne Community Schools. It means that the "D" you got in Miss Becker's sixth-grade English class was a misunderstanding. You were merely meeting her need — an obsessive one, you thought at the time — to find spelling and grammar mistakes in the work of hapless students.

▲ Prof. Robert Heidt, a former member of the admissions committee of Indiana

University Law School (Bloomington), has written compellingly in this journal about our state's own attempts to subvert popular will on this issue. Quite simply, certain law schools here and elsewhere are likely to ignore any law that does not mandate precise numerical racial and sexual diversity. We will see how the market values the resultant diplomas.

■ Trucks Over-Sprayed I-69 with Anti-Icing Chemical

A rollover accident backed up traffic on the eastbound ramp to Illinois Road from Interstate 69. Police on the scene suspect that too much anti-icing agent was put on the roads to prepare for snow and motorists were losing control when driving through it. (Fort Wayne Journal Gazette, Dec. 7)

▲ We never should have let government take the roads.

■ Need School Data? Good Luck

Something as essential as tracking individual student performance proved difficult (for the governor's office), mainly because the state didn't begin doing so until the Class of 2006. So although a study for the commission by Indiana University's Center for Evaluation and Education Policy found little correlation between increased school spending and academic performance, there's almost no way to substantiate that conclusion. (Indianapolis Star, Jan. 13)

▲ If the governor and the Star editors were seriously looking for the answer, they could find it. The Indiana Policy Review Foundation commissioned a study to apply coalition coefficients to data from all of Indiana's school districts. It found no statistical relationship between spending and Indiana student test scores. The foundation had thought it might find at least a hint of a pattern where increased funding had increased academic achievement. It could not. (<http://www.inpolicy.org/images/pdfs/summerfall2004.pdf>) "It is the institutions of K-12 education we need to examine, not the funding level per se," concluded Dr. Cecil Bohanon. "It is the incentives provided by the dollars we currently spend on K-12 education that are the important issues, not the appropriation of new dollars." The problem in the governor's office is not that anybody doubts that this emperor is naked, it's that nobody has the political courage to say so.