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## Summary of Review

The new *Weighted Student Formula Yearbook 2009* from the Reason Foundation provides a simple framework for touting the successes of states and urban school districts that grant greater fiscal autonomy to schools. The report defines the Weighted Student Formula (WSF) reform extremely broadly, presenting a variety of reforms under the WSF umbrella. Accordingly, when the report concludes that WSF is successful and should be widely replicated, it is difficult to sort through the claims and recommendations. Moreover, the approach and recommendations lack critical inquiry, thought, or empirical analysis. Perhaps most disturbing is the fact that in a third of the specific districts presented in the report, the evidence of success provided predates the implementation of the reforms, and the Reason press release makes the outright claim that past improvements are somehow a function of yet-to-be-implemented reforms. While the report does provide some reasonable recommendations, they are overshadowed by others. Overall, the policy guidance provided by the Reason report is reckless and irresponsible.

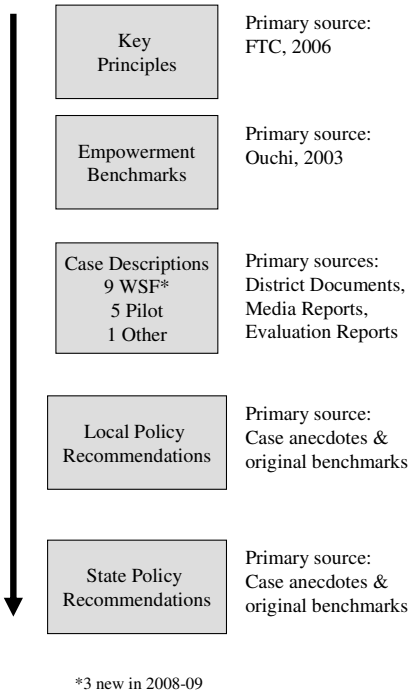
# Review

## I. INTRODUCTION

The *Weighted Student Formula Yearbook 2009* from the Reason Foundation, authored by Lisa Snell,[1] provides a simple framework for touting the successes of urban school districts and states that grant greater fiscal autonomy to schools. This framework is illustrated in Figure 1.

The report begins by laying out the key principles of Weighted Student Funding (WSF), with citations made primarily to the 2006 Fordham Institute Report, *Fund the Child* (FTC).[2]

**Figure 1**
**Framework of the *Weighted Student Formula Yearbook 2009***




*3 new in 2008-09

Two main principles dominate the Reason rationale: (a) the importance of allocating budgets directly to schools within districts, based on the characteristics of children in those schools, where funding follows the child and is based on the needs of the child; and (b) the importance of allocating funding, as opposed to staff positions, to schools and then allowing school level leaders (principals) latitude to use that funding as they see fit. Similar to a 2007 report published by Ohio's Buckeye Institute, which I also reviewed,[3] the report adds that the principles for allocating funding within districts should be replicated for all levels, including state and federal funding. The report also argues for simplicity and transparency.

The report next lays out a series of "empowerment benchmarks" cited to the work of William Ouchi (2003) in *Making Schools Work*.[4] These empowerment benchmarks provide the outline for the report's 14 city and 1 statewide (Hawaii) reform descriptions that make up the bulk of the yearbook. The report uses these case descriptions as a basis for identifying "best practices" for school districts implementing or considering WSF reforms.

Weighted Student Formula, which is sometimes also called Weighted Student Funding, is a fiscal resource allocation strategy to be used by states when allocating aid to school districts or by districts when allocating budgets to schools. Several previous reports have also attempted to cast WSF as a broad net of urban school reform strategies—most significantly involving decentralized governance of schools and open-enrollment, school-choice programs.

The new Reason report's broad definition of WSF includes at least the following four distinguishable elements: (a) weighted student funding formulas; (b) site-based man-

agement; (c) site-based budgeting; and (d) school choice, including pilot, magnet or charter schools. Notably, this is a much broader net than cast in any previous report or analysis of which I am aware.

The report selects a hodge-podge of district reform strategies being implemented across 14 U.S. cities and 1 state. Nine of these reforms are district-wide reforms that include implementation of some form of weighted student formula—that is, a school-based budget allocation formula providing basic aid per pupil, with additional weightings, or multipliers, based on some committee- or administrator-determined set of "need" factors. Oakland, for instance, uses a variant of this approach, applying a flat foundation level per pupil but adding categorical grants in place of weights.

Other district reforms in the analysis have little to do with Weighted Student Funding at all, nor with whole-district reforms. Rather, the Boston, Chicago, Clark County, Los Angeles and St. Paul reforms set forth in the report involve designating a handful of schools within the district to receive lump-sum funding and granting them greater autonomy in management, contracting and hiring.

These reforms are substantively different from and conceptually antithetical to WSF reforms. While WSF reforms are designed to more equitably distribute fiscal and human resources *across all schools* within a district (or even a state), selective pilot school programs grant preferential autonomy to some schools with the intent to draw resources and creative energy into those schools and away from others, generally without attention to the plight of others. WSFs are intended, in part, to correct for the types of inequities that occur when elite magnet schools serving advantaged populations in urban districts draw resources away from disadvantaged students.[5]

The report's 10 empowerment benchmarks, which frame its analysis, also include limited emphasis on weighted student formulas, per se. The report's empowerment benchmarks may be categorized as follows, with adjacent numbers reflecting the order in which the report presents the (uncategorized) benchmarks:

**Table 1: "Empowerment Benchmarks" in *Weighted Student Formula Yearbook 2009***

| | |
|---|---|
| *Weighted Funding Formula* | |
| 1 | School Budgets Based on Students not Staffing |
| 2 | Districts charge schools actual vs. average salaries |
| *Decentralized Governance* | |
| 3 | School choice and open enrollment policies |
| 4 | Principal autonomy over budgets |
| 5 | Principal autonomy over hiring |
| 10 | Collective bargaining relief through flat contracts |
| *Recentralized Support of Decentralized Governance* | |
| 6 | School level management support |
| *Reporting & Data* | |
| 7 | Published transparent school level budgets |
| 8 | Published transparent school level outcomes |
| 9 | Explicit accountability goals |

Notably absent in the report's Key Principles or empowerment benchmarks is the original objective of *Weighted Student Funding*: to increase resource equity across schools within districts.[6]

## II. FINDINGS AND CONCLUSIONS OF THE REPORT

Applying these benchmarks, the report derives a set of policy recommendations, which include the advocacy of cherry-picked elements of current policies and prac-

tices found in one or more of the 15 included districts. Many of the selected practices remain either completely untested or are actually refuted in recent empirical studies. Most are simply references back to the benchmarks provided early in the report.

For example, the report argues that school districts should charge schools for the cost of teachers based on their actual salaries rather than average salaries. Oakland does; therefore it is recommended. These specific recommendations are discussed in greater detail later in this review.

## III. THE REPORT'S RATIONALE FOR ITS FINDINGS AND CONCLUSIONS

In short, the report rationalizes that the 15 districts studied are all implementing their own brand of WSF; all are doing very well on one handpicked outcome measure or another; and all are certainly much better than districts not implementing any brand of WSF. Therefore, one can necessarily look to these districts to identify a list of best practices for what all districts and eventually states should do.

## IV. THE REPORT'S USE OF RESEARCH LITERATURE

For Boston, one of the 15 cases presented, the report does reference, with reasonable accuracy, the findings of an external evaluation of the reform.[7] The report notes:

> A 2009 study by the Boston Foundation that more carefully controlled for student characteristics found that charter schools are outperforming both pilot schools and traditional schools. However, students in elementary and high school pilot schools outperform district schools, but middle school pilot students score slightly lower than middle school students in traditional district schools. (p. 31)

Findings were mixed for the Pilot schools, and this is accurately conveyed in the report.[8]

However, by its own admission, the report does not rely heavily on recent empirical literature regarding the successes or failures of WSF reforms and relies only on "some" supporting studies.

> This yearbook utilizes primarily district level documents including district budgets, policy manuals and Web site descriptions of school financing systems in addition to some supporting studies and newspaper accounts. (p. 5)

Given this approach, readers should understand two major problems.

1. *The report neglects large bodies of relevant literature.*

Because the report sidesteps entirely the issue of within-district equity, it correspondingly avoids the growing body of literature that questions whether WSF approaches actually achieve greater equity in resource distribution across schools within districts.

For example, one of the studies actually cited in the report (for a different issue), by Chambers and colleagues (2008), shows that between 2001-02 and 2006-07, implicit adjustment for poverty across San Francisco schools has backslid, despite implementing weighted funding in 2002-03 (p. 74). The differences, whether improvements or backsliding, were statistically non-significant.[9] Further, Baker (2009) found that "widely reported WSF success stories provide no

more predictable funding with respect to student needs than other large urban districts in the same state."[10]

The report also neglects existing literature questioning the efficacy of school-site management. (Recall that this report conflates WSF with a variety of other reforms, including school-site management.) In a comprehensive review of literature on school-site management (SSM) and budgeting, Plank and Smith (2008) in the *Handbook of Education Finance and Policy* present mixed findings at best, pointing out that while SSM may lead to a greater sense of involvement and efficacy, it seems to result in "little direct impact on teaching behaviors or student outcomes."[11]

The report also accepts the rhetoric of Ouchi (2003) and others (FTC, 2006) that "power to the principals"[12] (control over budgets and hiring) has only upsides and cannot possibly have any downside. Recent studies of principal labor markets and sorting indicated that the academic backgrounds of principals (i.e., whether they passed certification exams, and the nature of their undergraduate and graduate training) are highly inequitably distributed across schools, both within and across districts.[13] Related research shows that principals with stronger academic backgrounds are more likely to recruit and retain teachers with stronger backgrounds when granted autonomy to do so. The inverse also holds true (weaker principals, weaker teachers). As such, the current inequitable distribution of leadership could be harmful for high-poverty, high-minority schools under highly decentralized systems. [14]

2. *The report neglects disagreeable findings in the literature it does cite.*

Most interestingly, the report fails to acknowledge findings in the studies it does cite when those findings disagree with the original benchmarks. For instance, one of the most intriguing findings of the recent American Institutes for Research[15] evaluation of the Oakland and San Francisco reforms is that Oakland's use of actual salary buy-back has not in fact resulted in improved distribution of teachers (as regards teaching qualifications).

> Despite Oakland's additional incentive to retain newer teachers at higher-poverty schools, on average, San Francisco showed progress toward closing the experience gap whereas Oakland did not.[16]

## V. REVIEW OF THE REPORT'S METHODS

The yearbook does not present itself as a research study. However, it does present a framework, and that framework is deceptive. The reader is led to assume that these 15 districts are implementing a similar strategy and that are all showing better outcomes than they otherwise would have, had they not implemented this reform strategy.

As noted previously, however, no single reform strategy is addressed. No uniform measure or even approach to measurement of outcomes is used. In many cases, no comparison groups are included, with or without controls for student population differences. Where convenient, the report uses average performance on state assessments, either compared to the district's own previous performance (Hawaii) or, in a handful of cases, compared to state averages or other urban districts (Oakland). But convenience in other cases apparently led to the use of changes in performance instead, or changes in achievement gaps, depending on which shines the best light on the district being discussed. Honest research begins with a

justified approach; it does not engage in an *ad hoc* search for ways to present results in the best light.

One noteworthy example is the report's choice to point out that Oakland has shown more improvement than all other large California cities. This comparison group includes San Francisco, which fell in the middle of the improvement pack in the graph in the Oakland section of the yearbook. But when one turns to the section on San Francisco, one sees San Francisco described as outperforming (level of performance) large urban districts for seven years running, and no reference to the graph used to show Oakland's success.

Most problematic is the fact that in five of the 15 cases discussed—one third—outcome successes mentioned actually occurred *prior to the implementation* of WSF or SBB/SBM (see Appendix A). For example, the report commends New York City for winning the 2007 Broad prize, which it did the year before its Fair Student Funding policy was implemented. The report might arguably attribute this success to mayoral takeover, which began in 2002. But this is the WSF Yearbook, and even the expansive definition of WSF used in the report did not encompass mayoral takeovers.

Similarly, the report commends Hartford for raising test scores in 2008, the year before implementing WSF, and it commends Denver for making strong improvements between 2005 and 2008, whereas WSF was implemented in 2008-09. These successes lead one to question why these districts would want to implement WSF and risk undoing their prior achievements.

The most egregious claim of retroactive causation appears in the press release for the report:

> The results from districts using student-based funding are promising. Prior to 2008, less than half of Hartford, Connecticut's education money made it to the classroom. *Now, over 70 percent makes it there. As a result*, the district's schools posted the largest gains, over three times the average increase, on the state's Mastery Tests in 2007-08 (emphasis added).[17]

Yet, the report itself states that Hartford only began implementing WSF in 2008-09, and only expected to achieve the 70 percent target of available resources allocated to schools and classrooms by 2009-2010 (p. 61). It is difficult to conceive of any defense for Reason's claims.

Appendix A to this review provides a tabular summary of the selected outcome evidence used in the report.

## VI. Review of the Validity of the Findings and Conclusions

The report's general conclusion is that WSF, however defined for any given district, is successful. This success is evidenced by invariably positive outcomes, albeit on widely varied measures. Therefore, the report concludes, selected elements of WSF should be implemented everywhere.

However, the initial benchmarks provided, as well as the "best practices" recommended, exist in a vacuum of critical inquiry, thought, or empirical analysis. When identifying best practices, the report latches on to a variety of potentially problematic and untested elements of policies adopted across the 14 cities and 1 state, without any critical analysis.

The report also seems enamored with the

possibility of providing weights for high performance or giftedness, partially balanced by weights for low performance for incoming students, and elimination of weights for children from economically disadvantaged backgrounds. The presumption (based on Baltimore policies and anecdotal evidence) appears to be that policies that provide a "U" shaped weighting, high for incoming low performers and also high for high performers, will encourage schools to turn low performers into high performers. More likely, however, is the possibility that schools that serve clusters of the *most advantaged* children in larger urban districts will receive disproportionate resources, at the expense of schools with more "average" populations and higher-need populations. These systems may become more and more regressive (that is, reflecting a negative relationship between economic disadvantage and resources) over time.

While new policies in Hartford and Baltimore warrant investigation, a substantial track record of inequities and gaming related to "gifted" child weights already exists. In a previous Think Tank Review, I found:

> One possible explanation for the lack of poverty-related support in Cincinnati is that the district includes a weight on gifted students (larger than the poverty weight), and across elementary schools in the district, the correlation between gifted identification rates and poverty is -.88.[18]

Further, in a series of state-level analyses of gifted-education funding, Baker and Reva Friedman-Nimz find that many states specifically politicize gifted-education funding, using it to drive more resources to otherwise less needy schools and districts.[19]

The report specifically advises against allocating weighting based on poverty, arguing instead in favor of weighting for low achievement, or "low-scoring students."(p. 139) However, allocating resources on the basis of low achievement itself may be far more problematic than using a reasonable proxy like poverty. Baltimore and Hartford appear to protect against the possibility of increasing funding by increasing failure. The report, though, fails to consider that if schools raise the achievement of incoming poor students or incoming low performers (before they bring them up to the point of giftedness, of course), those schools will lose the funding that allowed them to provide the programs, staff and opportunities to improve student performance. Yet, the underlying out-of-school factors that affect not only the child's starting point but also annual progress (through opportunities outside of school, including summer learning) will not have changed.[20]

As noted, a likely outcome of the report's recommendations for rewarding schools serving high performers and children identified as gifted, and for eliminating poverty weighting, will be the advent of more regressive within-district resource allocation formulas than have been seen to date. Baker and Green have shown that a handful of states have already mastered the tricks-of-the-trade of inequitably distributing financial resources to school districts on a presumed basis of need.[21]

## VII. USEFULNESS OF THE REPORT FOR GUIDANCE OF POLICY AND PRACTICE

Unlike an earlier report from the Fordham Institute, which showed increased consideration for the complexities of WSF reforms and more thoughtful integration of state and district remedies,[22] the WSF Yearbook is a major step backwards. The report haphaz-

ardly aggregates a multitude of discrete policy issues under an umbrella labeled as WSF and deceptively suggests that all related policies are necessarily good—even going so far as to credit those policies for improvements that took place before the policies were implemented. The report then irresponsibly recommends untested, cherry-picked policy elements, some of which may substantially undermine equity for children in the highest-need schools within major urban districts. Additional "best practice" recommendations range from reasonable to innocuous, including the need for greater transparency and clearer public reporting of school site budgets, improvements to state data systems for tracking school site expenditures, providing support to principals through the process of moving toward site-based budgeting and management, and providing safeguards and required intervention strategies for schools with continued lagging performance.[23] Sadly, those reasonable recommendations are overshadowed by others. Overall, the policy guidance provided by the Reason report is reckless and irresponsible.

## Appendix: Reforms Investigated and Evidence of Success

| City or State | Implemented | Retroactive Causation Effect[1] | Instantaneous/ Maintenance Effect[2] | Compared to other than own past out-comes? [3] | External Cited Research | Actual Statistical Controls[4] |
|---|---|---|---|---|---|---|
| ***Weighted Student Funding (9 districts)*** | | | | | | |
| Baltimore | 2008-09 | **Y** | | | | |
| ***Evidence of Success*** **(select quotes and summaries)** | "Baltimore's Maryland School Assessment Scores increased in 2008." (p. 16) | | | | | |
| Cincinnati | 1999-2000* | | **Y** | **Y** | | |
| ***Evidence of Success*** | "Cincinnati continues to be one of the leaders among Ohio's urban school districts in performance. The district is tops among these urban city school systems in the number of report card indicators earned (nine versus the next highest urban school system, Columbus, with six) and is second only to Akron in its Performance Index Score." (p. 43) | | | | | |
| Denver | 2008-09 | **Y** | | | | |

[1] In other words, cases where the report credits WSF for successful outcomes that occurred before WSF was implemented.

[2] Does the outcome evidence include claims of improved outcome that occurred concurrent with implementation - before implementation would have been completed and could have had any measurable effects (Instantaneous)? Maintenance effect refers to those cases where the report explains that the district continued to improve, in many cases at a rate of improvement similar to improvement at the beginning of, or prior to the reform.

[3] Many cases address performance outcomes only with respect to the district's own past performance but do not explain, for example, whether the district's own performance gains are better or worse than those of other districts.

[4] This column addresses whether any attempts were made to compare effects of the reforms on otherwise similar (randomly selected or with statistical controls) students, in any of the analyses, internal to the report or externally cited evidence.

| City or State | Implemented | Retroactive Causation Effect[1] | Instantaneous/ Maintenance Effect[2] | Compared to other than own past out-comes? [3] | External Cited Research | Actual Statistical Controls[4] |
|---|---|---|---|---|---|---|
| ***Evidence of Success*** | "From 2005 to 2008, Denver students made strong improvements in reading, math, writing and science." (p. 56) | | | | | |
| Hartford | Phase in began in 2008-09 | **Y** | | | | |
| ***Evidence of Success*** | "Hartford schools significantly raised scores on both the 2008 Connecticut Mastery Test and the 2008 Connecticut Academic Performance Test this year—the first increase since 2001, accord-ing to preliminary results released to the district by the State Department of Education." (p. 66) | | | | | |
| Hawaii | 2004-05 | | | | | |
| ***Evidence of Success*** | Report compares Hawaii against prior performance in Hawaii on NAEP (p. 74) | | | | | |
| Houston | 2000-2001 (2001-2002 WSF phase in. See Baker and Thomas, 2006) | | | | | |
| ***Evidence of Success*** | Varied anecdotal evidence on numbers of schools meeting standards, numbers of schools im-proving passing rates, advanced placement courses offered and participation rates. (p. 82) | | | | | |

| City or State | Implemented | Retroactive Causation Effect[1] | Instantaneous/ Maintenance Effect[2] | Compared to other than own past out-comes? [3] | External Cited Research | Actual Statistical Controls[4] |
|---|---|---|---|---|---|---|
| New York City | Mayoral con-trol in 2002. Phase in of WSF began in 2007-08. | **Y** | **Y** | **Y** | | |
| ***Evidence of Success*** | • NYC won the 2007 Broad prize (p. 96) for most improved.<br>• In 2008, NYC elementary and middle school students made substantial progress at every grade level in English language arts and math since 2007, outpacing statewide gains.<br>• Performance significantly up since 2002. Achievement gap narrowing since 2002. (p.97)<br>• Impressive gains on 2007 NAEP, compared to 2005. (p. 97)<br>• Numerous additional comparisons of gains from 2002, or 2003 to 2007. | | | | | |
| Poudre School Dis-trict, Ft. Collins, CO | 2007-08 | **Y** | **Y** | **Y** | | |
| ***Evidence of Success*** | • "On 2008 Colorado Student Assessment Program students continued to perform higher than students state-wide in all 27 areas."<br>• "district-wide averages remain well ahead of state averages..."<br>• "Proficiency scores improved or remained the same..." (p. 121) | | | | | |
| ***Mixed/Undefined Approach (one district)*** | | | | | | |
| Oakland | 2004 expanded to all schools | | | **Y** | | |
| ***Evidence of Success*** | Oakland demonstrates the largest 4 year API gains among large CA Urban Unified Districts (from 2004-2007, 2008). | | | | | |
| ***Pilot Autonomy Programs (5 districts)*** | | | | | | |
| LA Belmont Pilot | Phase in be-ginning 2007-08 | | | | | |
| ***Evidence of Success*** | Report provides anecdotal discussion of High School for the Arts | | | | | |

| City or State | Implemented | Retroactive Causation Effect[1] | Instantaneous/ Maintenance Effect[2] | Compared to other than own past out-comes? [3] | External Cited Research | Actual Statistical Controls[4] |
|---|---|---|---|---|---|---|
| Boston Pilot | 1995-96 | | | **Y** | **Y** | **Y** |
| ***Evidence of Success*** | Report cites: Informing the Debate: Comparing Boston's Charter, Pilot and Traditional Schools, The Boston Foundation, January 2009: http://www.tbf.org/UploadedFiles/tbforg/Utility_Navigation/Multimedia_Library/Reports/InformingTheDebate_Final.pdf. | | | | | |
| Chicago Renaissance Schools | 2005-06 | | | **Y** | | |
| ***Evidence of Success*** | Report cites: Charter Schools Performance Report 2007-2008, Chicago Public Schools, http://www.ren2010.cps.k12.il.us/docs/ONS%20perf%20report%202-25_FINAL.pdf. | | | | | |
| Clark County Empower-ment Schools | 2006-07 (17 schools in 2009-10) ** | **-** | | | | |
| ***Evidence of Success*** | Report notes average test scores of 4 schools higher than in previous year. (p. 48) | | | | | |
| St. Paul, MN | 2002-03 | | | **Y** | | |
| ***Evidence of Success*** | "Overall Saint Paul public school students made gains across the board on state-wide tests in 2008. Yet, the district still scores lower than state averages and struggles with large achieve-ment gaps between subgroups." (pp. 128-129) | | | | | |

**Temporarily suspended in 2009*

***NCES CCD2006 includes 325 CCSD Schools*

## Notes and References


[1] Snell, L. (2009, April 30). *Weighted Student Formula Yearbook 2009*. Los Angeles: Reason Foundation. Retrieved May 11, 2009, from http://reason.org/files/wsf/yearbook.pdf

[2] Thomas B. Fordham Institute (2006) Fund the Child: Tackling Inequity and Antiquity in School Finance. Retrieved May 11, 2009, from http://www.edexcellence.net/fundthechild/Manifesto%20Report.pdf

[3] Baker, B. (2007). *Review of "Shortchanging Disadvantaged Student: An Analysis of Intra-district Spending Patterns in Ohio."* Boulder and Tempe: Education and the Public Interest Center & Education Policy Research Unit. Retrieved May 6, 2009, from http://epicpolicy.org/thinktank/review-shortchanging-disadvantaged-students-an-analysis-intra-district-spending-patterns-o

[4] Ouchi,W. G. (2003). *Making schools work: A revolutionary plan to get your children the education they need.* New York: Simon & Schuster.

[5] Even pundits favoring weighted student funding for many of the same reasons stated in the Reason Report acknowledge this point. For example, a column by Eric Osberg of the Fordham Institute quotes the Cincinnati school board president: "It was to help create an equitable system, because in the past, magnet programs got more money than neighborhood schools. This way, the dollars follow the student, not the program." http://www.edexcellence.net/flypaper/index.php/tag/weighted-student-funding/ Roza and Hawley-Miles (2004) also address this concern with specific regard to Cincinnati. Roza, M., & Hawley-Miles, K. (2004). *Understanding student-based budgeting as a means to greater school resource equity*. Seattle: Center on Reinventing Public Education, University of Washington.

[6] As noted previously, the Reason Report has cast WSF as something much broader than WSF itself. It therefore includes many more policy objectives and principles. However, Weighted Student Formulas themselves are intended by most accounts to improve equity in the distribution of resources across schools within districts in the same way needs-based formulas, for decades, have been intended to improve equity in the distribution of resources across school districts in accordance with costs and needs. In fact, the equity objective even appears in the title of the Fordham Institute report *Fund the Child: Tackling Inequity and Antiquity in School Finance.* http://www.edexcellence.net/fundthechild/Manifesto%20Report.pdf.

Others, including Baker and Thomas (2006) have more precisely articulated equity objectives of WSF. Baker, B.D., Thomas, S.L. (2006) *Review of Hawaii's Weighted Student Formula*. Hawaii Board of Education.

[7] *Informing the Debate: Comparing Boston's Charter, Pilot and Traditional Schools*, The Boston Foundation, January 2009, http://www.tbf.org/UploadedFiles/tbforg/Utility_Navigation/Multimedia_Library/Reports/InformingTheDebate_Final.pdf.

[8] The findings regarding charter schools are more problematic than that conveyed in the report, however, particularly since they were based a very select group of high-demand (waitlisted) charters.

[9] Chambers, J.G., Shambaugh, L., Levin, J., Muraki, M., & Poland, L. (2008). A Tale of Two Cities: A Comparative Study of Student-Based Funding and School-Based Decision Making in San Francisco and Oakland Unified School Districts. American Institutes for Research. Palo Alto, CA.

[10] Baker, B. D. (2009). Within-district resource allocation and the marginal costs of providing equal educational opportunity: Evidence from Texas and Ohio. Education Policy Analysis Archives, 17(3), p. 1. Retrieved May 6, 2009, from http://epaa.asu.edu/epaa/v17n3/

[11] Plank, D., Smith, B. (2008). Autonomous Schools: Theory, Evidence and Policy. In H.F. Ladd and E.B Fiske (eds) pp. 402-424, *Handbook of Research in Education Finance and Policy*. New York: Routledge, p. 407.

[12] Ouchi, W.G. (2006) Power to the Principals: Decentralization in Three Large School Districts. *Organization Science*, *17*(2) 298-307.

[13] Baker, Bruce D., Cooper, B. (2005). Do Principals with Stronger Academic Backgrounds Hire Better Teachers? *Educational Administration Quarterly; 2005*; 41; 449.

Clotfelter, C., Ladd, H., Vigdor, J., and Wheeler, J. (2006). High Poverty Schools and Distribution of Teachers and Principals. A Paper Presented at the UNC Conference on High Poverty Schooling in America. Chapel Hill, NC

Fuller, E., Baker, B.D., &Young, M.D. (2007). *The Relationship between Principal Characteristics, School-Level Teacher Quality and Turnover, and Student Achievement.* Working Paper.

Fuller,E., Young, M.D., Orr,T. (2007). *Career Pathways of Principals in Texas.* Paper presented at the Annual Meeting of the American Educational Research Association. Chicago, IL.

Papa, Frank C. Jr., Lankford, H., Wyckoff, J. (2002). *The attributes and Career Paths of Principals: Implications for Improving Policy.* University of Albany, SUNY.

Papa, F. (2004). *The Career Paths and Retention of Principals in New York State*. Submitted to the University of Albany, State University of New York in partial fulfillment of the requirements for the Degree of Doctor of Philosophy. Albany, NY.

[14] At various points in the yearbook, Snell does recommend management support, training and interventions for principals operating under decentralized system. While these may be reasonable strategies for partially offsetting potential inequities in leadership quality, these strategies are largely untested and do not address the initial, underlying problem of inequitable distribution of principals.

[15] Chambers, J.G., Shambaugh, L., Levin, J., Muraki, M., & Poland, L. (2008). *A Tale of Two Cities: A Comparative Study of Student-Based Funding and School-Based Decision Making in San Francisco and Oakland Unified School Districts*. American Institutes for Research. Palo Alto, CA.

[16] Chambers, J.G., Shambaugh, L., Levin, J., Muraki, M., & Poland, L. (2008). *A Tale of Two Cities: A Comparative Study of Student-Based Funding and School-Based Decision Making in San Francisco and Oakland Unified School Districts*. American Institutes for Research. Palo Alto, CA, p. vii.

Note that the logic of "actual salary" buyback makes sense as a strategy for improving equity in the distribution of teacher qualifications across schools within districts. If one assumes that higher-need, higher-poverty schools tend to have higher concentrations of inexperienced teachers, it is unfair for those schools to be required to buy teaching lines from the central office at the district average salary rather than the lower salaries of novices. Allowing these schools to buy back lines at actual salaries should provide greater financial flexibility, but apparently not enough (in this instance) to alter the district-wide experience distribution. The idea may be reasonable, but is oversold in this report and others.

[17] Reason Foundation (2009, April 30). Weighted Student Formula Produces Good Results In Some of the Country's Biggest Cities (press release). Retrieved May 11, 2009, from http://www.reason.org/news/show/1007460.html

[18] Baker, B. (2007). *Review of "Shortchanging Disadvantaged Student: An Analysis of Intra-district Spending Patterns in Ohio."* Boulder and Tempe: Education and the Public Interest Center & Education Policy Research Unit, p. 14. Retrieved May 6, 2009, from http://epicpolicy.org/thinktank/review-shortchanging-disadvantaged-students-an-analysis-intra-district-spending-patterns-o

[19] Models of both aid distribution and opportunity distribution indicate a tendency of states more significantly involved in gifted education, as indicated by mandates and funding, to promote regressive distributions of opportunities (greater availability in schools with fewer low-income students) through regressive distributions of aid (higher levels of aid to districts with fewer children in poverty).

Baker, B.D., Friedman-Nimz, R.C. (2004) State Policy Influences and Equal Opportunity: The Example of Gifted Education. *Educational Evaluation and Policy Analysis* 26 (1) 39-64

Baker, B.D., & McIntire, J. (2003). Evaluating State School Funding for Gifted Education Programs. *Roeper Review*, 26(3), 173-179.

Baker, B.D., & Friedman-Nimz, R.C. (2003). Gifted Children, Vertical Equity and State School Finance Policies and Practices. *Journal of Education Finance*, 28(4), 523-556.

Baker, B.D., & Friedman-Nimz, R.C. (2002). Determinants of the Availability of Opportunities for Gifted Children: Evidence from NELS '88. *Leadership and Policy in Schools*, *1*(1) 52-71.

Baker, B.D. (2001). Gifted Children in the Current Policy and Fiscal Context of Public Education: A National Snapshot & Case Analysis of the State of Texas. *Educational Evaluation and Policy Analysis*, *23*(3) 229-250.

[20] Berliner, David C. (2009). *Poverty and Potential: Out-of-School Factors and School Success.* Boulder and Tempe: Education and the Public Interest Center & Education Policy Research Unit. Retrieved May 11, 2009, from http://epicpolicy.org/publication/poverty-and-potential

Also, one real shortcoming of using school level rates of children qualifying for subsidized lunch as a basis for targeting funding to higher need schools within large, poor urban districts, is that in many large poor urban districts, there is little variation in rates of children qualifying for free lunch. Baker, 2009 and 2007, for example, explain that in Cleveland, all elementary schools reported 100% free lunch, yet there remain substantive differences in the degrees of economic disadvantage across Cleveland elementary schools. This measurement concern, however, is not reason to disband use of economic disadvantage measures for redistributed resources across schools within districts, but rather, provides reason to seek more fine grained measures of economic disadvantage.

[21] Baker, B. D., & Green, P. C. (2005). Tricks of the trade: Legislative actions in school finance that disadvantage minorities in the post-Brown era. *American Journal of Education*, *111*, 372–413.

[22] Public Impact; The University of Dayton, School of Education and Allied Professions; and Thomas B. Fordham Institute. (2008, March). *Fund the Child: Bringing Equity, Autonomy and Portability to Ohio School Finance How sound an investment?* Washington, DC: Thomas B. Fordham Institute.

Baker, B.D. (2008). *Review of "Fund the Child: Bringing Equity, Autonomy, and Portability to Ohio School Finance."* Boulder and Tempe: Education and the Public Interest Center & Education Policy Research Unit. Retrieved May 7, 09 from http://epicpolicy.org/thinktank/review-fund-child

[23] I noted a total of about 27 district level "best practices" and 4 state level recommendations. Space herein prohibits thorough critique of each and every one. Many are similarly problematic to those critiqued herein, including the assumption that losing incremental funding per student provides a more manageable buffer for enrollment decline than losing a staffing line when an additional section is no-longer needed. Arguably, it is no easier to cut one student's share of a teacher cost than it is to cut the whole teacher when the additional section is no-longer needed.

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