

The “Ought” of the Possible: A Bold Vision for Transforming the Education System A Perspective from the Board of Regents

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I am here today to talk to you about what I call “the ought” of the possible. This is my way of characterizing what amounts to a bold new vision for transforming the way we fund the K to 12 education system here in Rhode Island.

It is safe to say that most of us who are gathered here today believe that Rhode Island needs to change the way it funds public education. Indeed, educational finance may well prove to be the key agenda item for educational reform at the state level for the remainder of the decade. The reasons for this include: the changing demographics of our state; the number of services required in inner-city school systems; the present over-reliance on local property taxes; and taxpayer demand for greater accountability on how our tax dollars are spent. To that end, we need to ask two basic questions: What ought we to do? And, is it possible to do what we ought? Because, I submit, whenever it is possible to do what we ought, then we ought to do what is possible.

So let’s agree on a few basic precepts.

- **First, under the current funding system, there is a lack of predictability concerning the availability of funding for our schools.** District and municipal officials need to have a firmer grasp on what resources are available to them before they finalize their budgets and their collective bargaining positions.
- **Second, we need to ensure that there is greater horizontal equity across communities in regard to funding.** If you believe, as I do, that where a child lives, and, inherently, the willingness of that child’s community to raise the needed funds to educate that child, should not be determinative of the quality of education that that child receives, then the state needs to play a stronger role in managing the availability of education funding.
- **Third, we need greater vertical equity in terms of directing levels of funding based on student needs.** Students with greater needs, those students with the greatest gaps in student achievement, should receive greater levels of financial support.
- **Fourth, we need far greater accountability over the dollars we invest.** Regardless of the source of funding, we need to ensure that every additional dollar invested in education positions us to improve student achievement.

It has been suggested that a stand-alone “funding formula” will meet all four of these criteria. Getting the funding right, however, in and of itself, will not cure the issues of governance, instructional quality, and the lack of accountability and coherence that plague our current education system. Getting the funding right is only one element of the larger fix – a fix that requires all of us – state and local, management and union, teacher and parent, community and government – to work together in a single, consolidated effort to meet the needs of all our children to achieve the proficiency required of a 21st century workforce, an increasingly global economy, and the even greater demands that higher education is placing on our graduating students. In short, the issue of reforming the way we finance our public schools cannot be separated from a discussion of educational results, student, teacher, and administrator performance, and the overall efficiency of our educational system.

The Rhode Island Department of Education continues to develop the standards, curricula, and assessments needed to drive high achievement for all our K to 12 public school students. We have designed strategies for success in our high schools and we continue to provide direct supports to our urban districts. But, as we implement these programs, we continue to see only moderate improvements, and only in certain areas. This is not acceptable.

The troubling fact is that there are systemic flaws in our education system. Unstable funding and diffuse management – coupled with low expectations for students and a 1940's career structure for our teachers – have produced exactly the system we have - a system of extremely uneven results: some very good, some mediocre, and some simply unacceptable. Indeed, Rhode Island will continue to fall behind the rest of the country and the world unless we take bold steps now to transform our K to 12 education system, and improve its connectivity with the other educational systems with which it intersects, including early childhood and adult education, after-school programs, post-secondary education and training, teacher preparation and professional advancement, and workforce and economic development.

In my capacity as Chairman of the Board of Regents, I am taking this opportunity to announce a three-part strategy to accelerate the pace of improvement in our public schools – a strategy that will frame not only how much we spend, but also how we invest public money, and how we will know whether our investments are well spent.

Number One, we must establish greater stability and coherence in our fiscal and management systems. Rhode Islanders spend significant tax dollars on education, and each year we make incremental adjustments to our complex educational funding and distribution scheme. This jerry-built, Rube Goldberg way of funding our educational efforts does not add value or help our efforts to improve student outcomes. We must instead adopt a system of education funding that is fairer and more predictable; one that supports improved student achievement; that drives more efficiencies, accountability, and innovation; and that treats property taxpayers equitably, limits the portion of school budgets financed by property taxes, and establishes sufficient cost controls on school spending.

Today I want to propose bold new thinking on education financing to move us toward this goal. In our budget for Fiscal Year 2009, the Board of Regents will propose a four year plan to move the most volatile and the most uncontrollable costs of education – costs that local districts have little or no say over – from the hodge podge of local/state sharing arrangements that presently exist to the state side of the ledger. And we shall start with teacher retirement costs. Indeed, the mere removal of teacher retirement costs alone from local school budgets and from local/state sharing ratios will introduce an enormous degree of new stability into the funding system. We can then move to 100% state funding of such other costs as out-of-district transportation, group home costs, extraordinary special education expenses, and, eventually, the cost of health care contracts. For the next four years, the state should devote education aid to cover state or federally mandated local expenditures and gradually take over the full responsibility for funding these items. In the end, local districts will no longer be saddled with many, if not most, of the crippling and unpredictable costs that they do not control because of the state-directed mandates that drive such costs higher and higher every year.

Unlike previous attempts at formulas, this approach can be achieved without significant new infusion of dollars into the system. New state dollars will go only to rising costs – costs that will not be reflected in local budgets – with existing costs being shifted to the state in a zero-sum approach to reform. I am sure that you will all realize that this strategy has enormously positive implications for dealing with the hard local budget caps that Senate Bill 3050 has imposed and for alleviating our chronic over-reliance on local property taxes to fund education.

Nevertheless, we must not lose sight of the fact that this strategy is also significantly more effective at dealing with the issue of horizontal equity for funding across school districts than with the question of how to achieve vertical equity based on student need. Thus, we must still meet the challenge of providing additional targeted funds to our struggling urban districts. The Regents are therefore proposing a separate, targeted aid package for our core urban school districts to address the achievement gaps in our cities.

Every school district in Rhode Island should be able to live within an inflation-based 3% annual increase in instructional costs, if they no longer had to bear alone the explosive costs of teacher retirement. Take away as well the other unfunded state mandates and the result is even clearer: if the State paid for what the State required **outside** of the instructional programs themselves, then local school systems could better deal with the costs of state-level policy mandates to improve teaching and learning. By removing (and paying for) the most volatile cost increases, and by simultaneously reducing the amount of local school district budgets, the state can achieve greater stability in our school funding system, even as we continue the hard work of reaching agreement on what remains: the need for a student-driven funding formula for the state and local share of the actual instructional costs of bringing every student up to proficiency and beyond, a formula that reflects both the educational cost differences of “high needs” students, and the taxpayers’ ability to pay, while also encouraging cost-sharing, consolidation, and collaboration between districts and with the state.

This is a significant policy shift, and one that would require a steady 3% increase in overall education funding in each of the next four years. Additional funding beyond this modest 3% increase would help us to accelerate this transition period, as well as provide needed funding to support the substantive changes so clearly needed in our urban systems. Given that state revenues have risen by approximately 5% a year even in these difficult times, the education system could improve while staying within current fiscal demands. Not only that, once these teacher retirement and other costs are moved to the state level, we will have greater clarity and predictability at the local level due to the removal of the most volatile cost drivers from the local property tax base. We will be left with a local “per pupil” spending figure that is based solely on the costs of instruction. At that point, and **ONLY THEN** should we implement a funding formula that targets student achievement. Indeed, **ONLY THEN** can we justify increased investments in proven innovations that will be needed to drive student improvement.

We can all agree that significant improvements to our education system are needed. But we must share a commitment to changing how we fund the business of education and not simply ask – year in and year out – for ever-increasing amounts of general aid that are not pegged to increased student performance.

Let’s shift now from educational finance to governance. Unfortunately, school committees and unions sometimes have blurred the lines between their proper roles and authorities. Our “everything is on the table” approach to contract negotiations sometimes makes it difficult to coherently manage and implement reforms in districts, schools, and classrooms.

We must clarify the appropriate roles, authorities, and accountability of labor and management. The Governor has asked me to convene a task force that will recommend legislation this session to address labor/management issues related to the teacher-contracting process, and we have already embarked upon this charge.

To the extent that there are issues with collective bargaining, and the teacher strikes that occasionally ensue from that bargaining, there are many who would blame labor exclusively for these difficulties. I respectfully disagree. Organized labor has an advocacy role, and it has been extraordinarily successful in that role. We, as policy makers, however, need to balance the equation by weighing in more forcefully in regard to what issues should remain matters of educational policy and what issues should be subject to the vagaries of local employment contracts and collective bargaining.

As a first step, the Board of Regents will focus on what it takes to ensure that no child’s instructional day or year is interrupted by disagreements among the adults who serve them. We then need to take a hard and honest look at how our education system is organized – and hopefully have the courage to make the changes necessary to fulfill our mission.

As we address the school financing equation and labor/ management issues, we must maintain high expectations for students. We have been graduating too many students who are not proficient, sometimes not even literate, and letting too many students drop out. This is unacceptable. We must maintain high expectations for all students, regardless of their learning needs. We need to ensure that all students are fully engaged and supported so that they graduate from our schools ready for work or for continued education. To guarantee this, we must implement rigorous, proficiency-based graduation requirements, ones that are aligned with college and work-readiness standards.

To this end, the Regents have promulgated regulations calling for proficiency-based graduation requirements for all students beginning in June 2008. Of course, simply setting this goal does not guarantee success. Good work has been done in the name of high school reform. But we need to redouble our efforts, however, and begin the harder work of improving our middle schools, and of making instructional support systems more powerful and far-reaching. We need to reach every child. There should be no barriers to these efforts, and we need to remove those barriers that we know still exist in our current system.

Urban districts face myriad challenges, and the Governor has established a task force to study best practices and recommend strategies for reform in our urban communities. As we design and implement these initiatives, we must work collaboratively with all parties, and we must not be hampered by counterproductive past practices or by local agreements that impede students learning and performing as well as they can. In particular, we need to aggressively pursue innovative reforms in under-performing school districts.

I, for one, will personally advocate for strengthening quality preschool and early childhood learning opportunities – especially in our troubled urban districts. Even before kindergarten, the average cognitive scores of children from the highest socioeconomic groups are 60% above those of children from the lowest socioeconomic ones. An investment in quality preschool education, studies show, can over time ameliorate this shocking disparity. Research and very credible studies indicate that an investment in quality preschool education not only sets the foundation for these students' later academic success, but also it is the one educational investment that we can make that yields the greatest financial return because of the additional income taxes paid by such successful students and by the savings to us all from the reduced welfare, training school, and other social service costs that these successful students incur in later life. If we do not work to make high-quality early childcare and preschool education available to our most at-risk children, we will be doing an enormous disservice to our own future, let alone theirs. Although I am pleased that Elizabeth Burke Bryant and the Commissioner are chairing a task force examining this issue, I am embarrassed to say that Rhode Island is in the minority of states that have not yet embarked on any sort of public preschool program. If I have anything to say about it, that will change on my watch.

The Regents also look forward to working with the new Urban Education Task Force chaired by Warren Simmons. We will work hard to implement the programs, initiatives, and regulations necessary to support the recommendations of these two groups. But, in any event, we must develop early learning standards that are aligned with our academic expectations for elementary schools, define school readiness, and fashion appropriate interventions for children not meeting our expectations.

Third, we must empower our teachers and give them the tools they need to meet the challenges of the classroom. Exemplary teachers in every classroom and outstanding administrators leading our schools and districts are the essential building blocks of a high quality educational system. Yet this is not the reality in many of our classrooms, schools, and districts. Transforming Rhode Island's educational system will require fundamental rethinking of our professional human resource approaches – including preparation, instruction, and support, evaluation, and continuous professional growth and development, particularly in teaching teachers how to better teach literacy, math, and science to our most challenged students.

Unfortunately, little has been done statewide to create a reliable development, support, and incentive system to drive continuous professional advancement. We must develop a career ladder for teachers with supports and incentives that will ultimately drive better student proficiencies and outcomes.

Additionally, we must work with higher education to ensure that teacher preparation programs reflect the current demands of federal and state requirements. The Board of Regents has recently adopted professional teaching standards, and we will begin to pilot evaluation standards for teachers in select districts.

Too little has been done to develop and support the educational leadership we will need to drive these reforms. The Regents have begun the hard work of developing state leadership standards. This is the first step in a comprehensive system of leadership development that the Regents will unfold over the coming months. But sustained improvement in our teaching corps will not occur without strong and coherent leadership from the state, district, and school levels.

We must continue to engage higher education, professional associations, and business organizations, school districts, and community partners in creating conditions that empower our teachers and other education professionals to do their best work with all students. We must take steps now to ensure that our children's education is connected from one stage to the next, thereby shrinking the chances that youngsters will be lost along the way or will need costly remedial services to obtain the skills or know-how that they could have acquired from the outset.

CONCLUSION

In summary, the Regents pledge to do everything possible to transform Rhode Island's education system into one truly focused on improving student achievement and performance. This is no time for "sunshine educators" or for a smug complacency. We must invest more wisely, manage with greater wisdom, lead with greater clarity, and expect greater achievement from our students – regardless of their individual learning needs or the district they live in. And at the same time, we must support the profession of teaching. This will not be easy, nor will it be to everyone's liking.

But the good news is that we know what we ought to do. And we also know what it is possible for us to do. And so let me say it again: When it is possible to do what we ought, then we ought to do what is possible. If we do that, and thereby commit to doing what is best for our students, then failure is neither an option nor a possibility.

I very much appreciate the opportunity you have given me to address you today. This Thursday, the full Board of Regents will be acting on a budget that will, I believe, support the initiatives I have outlined today. At that point I, the other Regents, and the Commissioner of Education will be ready to address any specific questions you may have in regard to these bold new initiatives. Thank you for listening – and thank you for your commitment to the children of Rhode Island.