Introduction to the Concept of Adequacy

Equity is Fairness

Following are some of the policy goals that have guided Regents State Aid proposals in the past:

- Equity for students, to ensure that a fair level of resources is received by each student;
- Flexibility in the use of State Aid revenue, to allow districts to spend aid in a manner that meets the needs of its students and community;
- Simplicity of the funding scheme to foster lay understanding and reduce administrative burden, usually involving strategies for consolidating numerous formulas;
- Accountability for results;
- Cost-effectiveness, to get the greatest educational gain possible for the dollars spent;
- Stability, to allow districts to plan and budget into the future without fear of dramatic fluctuations in available resources;
- Equity for taxpayers to ensure a fair and adequate local tax effort;
- Closing the gap in student achievement;
- Building local capacity to meet higher learning standards; and,
- Recognition of geographic differences in the cost of education.

The ideal education finance system would meet all these goals, but perhaps the most fundamental of them is student equity. The concern for student equity should be the basis for any sound education funding system.

Equity can be defined to mean fairness. Do all students receive a fair share of the State and local dollars spent on education in New York State? Although the concept of fairness is simple to understand, it has been interpreted in different ways over the past three decades. It is important to understand the development of this concept over time, in order to propose a funding system with the potential to achieve this elusive goal.

Equity as Equality

For many years, equity was interpreted by the courts and the school finance community to mean equality of spending per pupil regardless of district property wealth. The "spending gap" served as the primary indicator of an inequitable state funding system. Major variation in spending per pupil among districts within a state was viewed as the problem. Equalizing spending per pupil among districts disparate in property wealth was viewed as the solution. In the 1970s and early 1980s, many state school finance systems were challenged in the courts. The basis for the challenges was the claim that dramatic inequalities in spending per pupil meant students in property poor school districts were being denied equal educational opportunity; i.e., equal access to education resources.

One problem with interpreting equity as equality of spending per pupil is that the focus is entirely on education *inputs.* The other problem is that this interpretation is based on the assumption that all students are equal and should be treated equally. In reality, some students pose a significantly greater educational challenge than others do. Therefore, e*qual spending per pupil will not achieve fairness.*

Equity that recognizes inequalities

Another interpretation of equity presented by the school finance community is based on the assumption that all students are not equal. It acknowledges that some students must receive more resources than others in order for a funding system to be fair. For example, it would be unfair to provide the same per pupil expenditure to students with disabilities as to students without disabilities. Similarly, students with limited proficiency in English deserve access to additional resources. This interpretation of equity explains the proliferation of categorical aids and additional student weightings as components of state school finance systems. Both the additional aid categories and specialized weightings represent the recognition that *some students need greater resources to achieve at appropriate levels.*

But the question remains, "How much more?" How do we know to what extent to recognize the differences among students with different funding levels? This question cannot be answered as long as the focus continues to be on inputs, with no link to educational outputs.

The Introduction of Equity as Adequacy

As mentioned above, the school funding systems in many states were challenged based on the inability of property poor districts to raise the same local revenue as property wealthy districts, and therefore to provide a comparably enriched education program. Often in these cases, state courts determined that all students should have the same educational opportunity; i.e., equal access to education resources, and therefore that the existing state school finance system was unconstitutional. State legislatures were then ordered to develop new funding systems to remedy the "inequity." This, however, was not the result of the legal challenge to New York State's funding system.

The New York State Court of Appeals decision in the Levittown (1982) case was that despite major disparities in spending per pupil among districts, New York's school finance system did not violate the education clause of the New York State Constitution[1]. The New York State Constitution did not require equal spending among districts or equality in the quality of educational programming across districts, provided that minimal standards of educational quality and quantity were met.

The Levittown case helped distinguish between equity as equality and yet another interpretation: equity as adequacy. In the words of the court, "What appears to have been

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[1] The education clause in the New York State Constitution (Article XI, section 1) reads as follows: The Legislature shall provide for the maintenance and support of a system of free common schools, wherein all the children of this state may be educated.

contemplated when the education article was adopted at the 1894 Constitutional Convention was a statewide system assuming minimal acceptable facilities and services…" *The Levittown case introduced the notion that a funding system did not need to provide equal resources to be fair.*

Adequacy in 2000

Across the nation, states have been raising education standards. The minimum competence standard, as articulated in the Levittown decision, is being rejected on the premise that students need more than basic competency to be productive citizens in today's world. The movement to redefine education in terms of high minimum outcomes has brought with it the need to design a funding system that is better aligned with the goal of high minimum outcomes for every student. The most prominent members of the education finance community have addressed this need:

> "…the traditional focus on equitable distribution of resources is giving way or expanding to a new focus: ensuring that school finance policy can facilitate the goal of teaching students to higher standards. As Clune (1994a, 1994b) argues, this requires a shift in school finance thinking from equity to adequacy. Such a shift challenges policymakers to identify a new school finance structure that is more directly linked to strategies that raise levels of student achievement." (*Odden, 1998. Creating School Finance Policies that Facilitate New Goals*)

> "A shift is occurring from equity to adequacy in school finance. This shift is being driven by an emerging consensus that minimum outcomes should be the orienting goal of both policy and finance." (*Clune, 1994. The Shift from Equity to Adequacy in School Finance*)

> "The evolving concept of "adequacy" suggests that something beyond equity is at issue. The "something else" is a notion of sufficiency, a per-pupil resource amount sufficient to achieve some performance objective. Thus, adequacy is increasingly being defined by the outcomes produced by school inputs, not by the inputs alone. Clune contends that as the nation increasingly debates means for obtaining higher levels of student academic performance, the policy debate is beginning to shift away from "equity" and toward means for ensuring that students receive resources enabling them to learn to higher standards." (*Guthrie and Rothstein, 1999. Enabling "Adequacy" to Achieve Reality: Translating Adequacy into State School Finance Distribution Arrangements*)

The focus of a funding system based on adequacy is linking inputs to outputs, linking school finance policy to education policy.

To design a funding system that supports the achievement of high standards by every student, we must answer the question, "How much does it cost for each student to meet the standard*?".* The cost will vary dramatically for different students, depending on their educational needs. Districts with very high concentrations of poor students will require substantially greater resources to achieve the same results as districts without

concentrations of these students. *Interpreting equity as adequacy means that equity will be achieved when every student has access to the resources he/she needs to meet the new standards.*

Adequacy and Fairness

Adequacy as a policy goal is quite different from a student equity policy goal defined as equal spending per pupil. Equal spending per pupil becomes irrelevant once the goal has become for all students to reach the same, high education standard. However, we can continue to define equity in funding as fairness in funding. The principle of fairness must continue to guide the Regents State Aid Proposal. We cannot, in fairness, recommend higher standards for all, without recommending the financial support for districts to achieve that goal. To give every student a fair chance, the Board of Regents must determine the cost of meeting the high outcome standards it has implemented and put forth a funding proposal to support that cost. *It would be fundamentally unfair to create high expectations without providing adequate resources to meet those expectations.*

Adequate Funding is Not Enough

It must be pointed out that even if the goal of adequate funding were achieved, it is possible that student achievement would be unaffected. The link between funding and *successful programmatic strategies* must be made. Additional funding, with no change in the delivery of education services, is not a guarantee of improved student achievement, especially in the lowest performing schools.

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