



School Funding Issues A National Perspective

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Helping State Leaders Shape Education Policy



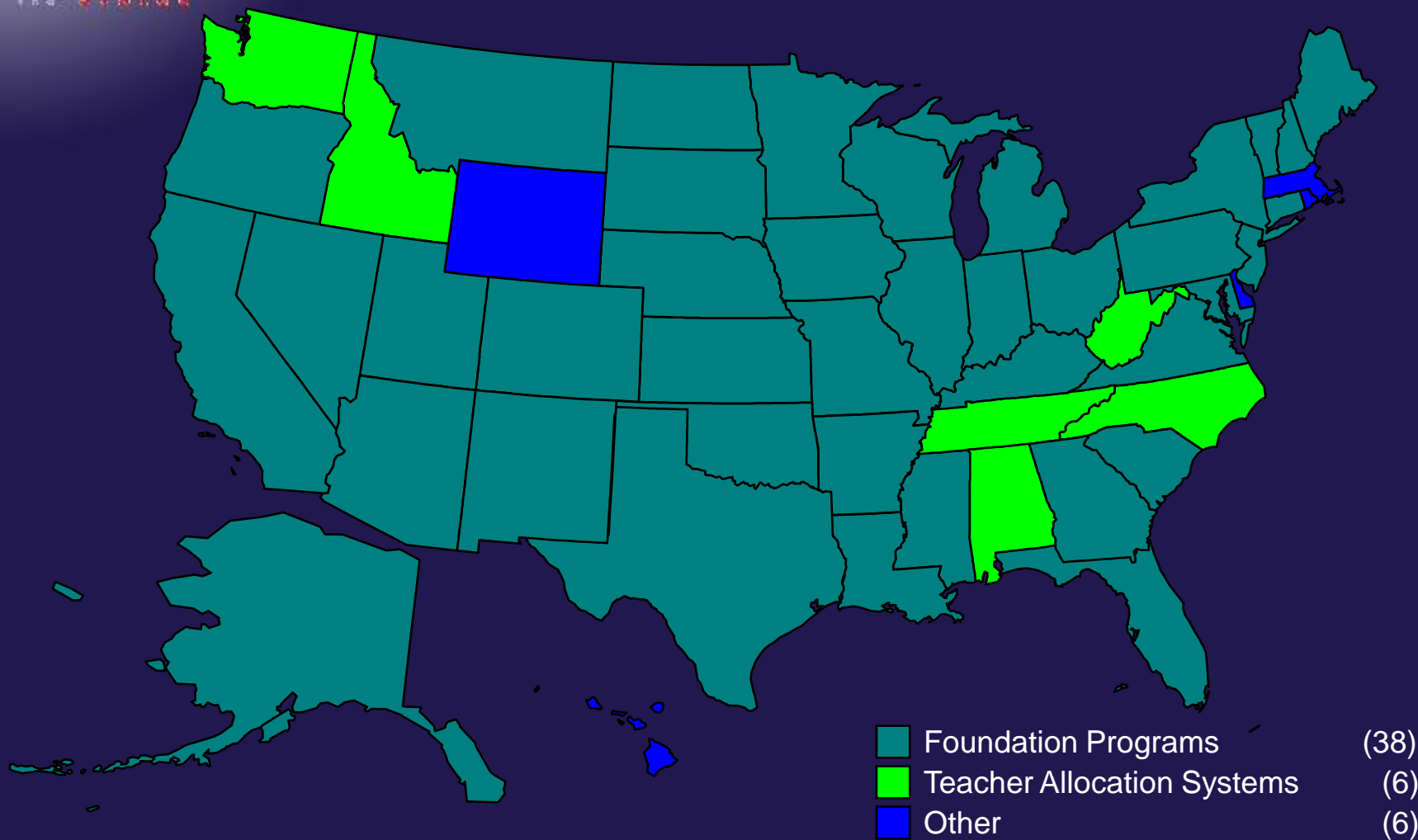
Outline

- At-risk funding
- Declining Enrollment
- Isolated Schools
- Student Count Days and State Funding
- Shared Costs
- Stable Funding Sources



Education Commission
of the State

School Funding Formulas





Identifying At-Risk Students

- The most common tool for identifying at-risk students is through free/reduced priced lunch (FRL) qualification.
- There are issues with using FRL as a measurement for at-risk:
 - Some students are counted as FRL but they do not qualify
 - High school students tend to be under counted
 - Not all low-income students need extra help and some non-low income students do need extra help



Identifying At-Risk Students

- States use various tools for identifying at-risk students, including:
 - Students in remedial education programs (GA)
 - Low scores on standardized test (GA, MA, MO, NY, NC and WA)
 - Wealth measures other than free and reduced price lunch (CA, MA, NC, OH, PA and WI)
- Texas: Low academic achievement, students who are currently pregnant or who are parents, LEP students and those students who have been identified as abused.



Using Categorical Funds

- A categorical programs can be designed to fund a particular educational program (i.e. Wisconsin requires funds to go to the creation of universal preschool programs)
- Some states provide categorical funding and allow districts to spend those funds as they see fit (California’s “Economic Impact Aid”)
- States have recently moved away from the use of categorical funds and toward the use of the state’s primary funding formula as a way to simplify their funding system while also providing for greater predictability (Maryland, New Jersey & New York)



The Use of Weights

- States that provide funding through their formula do so by providing districts with an additional weight in their formula for each student who is identified as being at-risk.
- For example:
 - Kansas provides districts with an additional weight of 0.193 (An additional 19.3% in funding)
 - Georgia provides a weight of 0.2918
 - New York's additional weight for at-risk is 0.65



At-risk Programs that Work

- While there is not 100% agreement about which programs are best for at-risk students studies have found that the following programs have shown some positive educational results:
 - Additional education experts (Reading/math tutors)
 - Targeted additional instruction time (After school or summer school programs)
 - General additional instruction time (Extended school day or year)
 - Early learning programs (FDK and pre-school)
 - Small class/school size



Declining Enrollment

- States can provide a permanent hold-harmless (old Pennsylvania system) or a short-term hold-harmless provision (new PA system)
- You can also make use of:
 - Rolling student average over 3 or 5 years (New York & Ohio)
 - Best year count of past two or three years (Delaware)
 - Or a combination of the two (Indiana) pick the best three out of the past five years



Small vs. Isolated Schools

- Measures used to define isolated schools
 - Geographic distance from one school to the next
 - Presence of a geographic barrier
 - Size of the school or district
 - Density of the local population.
- Additional funding to isolated schools
 - Minnesota – supplemental grant increasing the per-student allowance by 1%-100%, depending on school size
 - North Dakota –increases the per-student funding by 20%
 - Vermont – supplemental grant of up to \$2,500 per student



Student Count Days and State Funding

- Single count day
- Multiple count days
 - Maine – April 1st & October 1st
- Extended counts
 - Vermont – First 40 days of the school year
- Average Daily Attendance
 - California, New York & Texas



Shared Costs

- A study by the Leadership for Education Achievement in Delaware found that if school districts pooled their purchasing power, they could reduce their costs by between 8% and 14%
- Studies have found that some districts that have worked together to educate certain high-need special education students have improved the quality of education to those students while reducing expenditures



Stable Funding Sources

- To improve the stability of their funding systems states could move to a state-wide property tax system (Michigan & Washington)
- These systems tend to be unpopular with tax payers and are often only adopted as a package that reduces other state or local taxes



Questions & Comments

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