

How Other States Have Solved the Problem

Connecticut School Funding Summit
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- School finance equity & adequacy studies
- Linking school finance to student results
- Bi-partisan work for policymakers
- Teacher quality & teacher compensation



Presentation Outline

- School Finance Background
- Equity Issues
- Adequacy Studies
- Other National Trends
 - Cost Impact of NCLB
 - Teachers Salaries
- How Other States Have Solved the Problem



School Finance Background

- Who is responsible? – State
- How do formulas work? – Foundation
Formulas with Local Taxation
- Why? – Variation in Property Taxes



Equity Issues

- Taxpayer equity
 - Shift to uniform property tax
- Student equity
 - Unequal funding to achieve equity
- State share of Funding
 - Is it enough to achieve equity and adequacy?



School Finance Equity and Adequacy

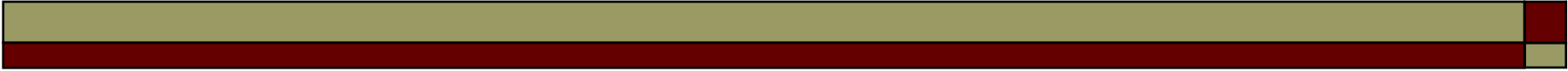
- From the 1970's to the early 1990's: Equity
- Since 1990: Adequacy more important
 - Historically adequacy was determined politically using input measures and available resources
 - Now adequacy is technically determined and output orientated. Relies on standards-based reform
 - NCLB legislation has increased the need for states to understand the cost of an adequate education



State Role in Standards-Based Education Reform

- ❑ Set standards
- ❑ Create assessments tied to those standards
- ❑ Hold school districts accountable for meeting the standards

- ❑ Assure that school district have enough resources



Alternative Methods Used to Set the Base Cost

- **Professional Judgment** assumes educators can specify the resources needed to meet state standards.
- **Successful School District** assumes a cost can be inferred from past successful practices.
- **“Evidence-Based”** assumes research exists to estimate a base cost, i.e., cost estimates for comprehensive school reform designs.
- **Statistical Modeling** uses multiple regression techniques to predict the cost.



Studies have been sponsored by different entities

- ❑ Legislature, governor, or state agency
- ❑ Legislature (required by court)
- ❑ A single education interest group
- ❑ Multiple interest groups (education & civic)
- ❑ Plaintiffs/defendants



Overview of Studies Conducted

- There have been 42 studies in 31 States
 - 19 studies commissioned by the State
 - 8 states have had more than one study
 - 26 states have had studies in the last five years
- Over 8 groups have done the studies
 - APA has done the most (16)



Adequacy Study Results

- Base Costs vary by the size of school district
 - Higher in Small Districts
 - Large Districts often higher the moderate size
- Adjustments Need More Attention
 - Adjustments vary by size of school/school district
 - Adjustments far below current spending



Other National Trends

- Cost Impact of NCLB
- Teacher Salary Changes
- NCEE Report
 - Weighted Student Formulas
 - Invest in Early Childhood Education



Cost Impact of NCLB

- Seven components:
 1. Standards and Assessments;
 2. Accountability;
 3. NCLB Related Assistance;
 4. Choice and Supplemental Education Services;
 5. High Quality Educators;
 6. NCLB Data Management; and
 7. Federal Title Programs



Definitions of NCLB Costing

NCLB accountability requirements described
in the state's Approved Consolidated Plan (ACP)

NCLB accountability requirements
plus new ESEA aspects in the state's ACP

NCLB accountability requirements plus new aspects in the
state's ACP plus the administration of all NCLB.

The Cost of an Adequate Plan to help all students
reach proficiency on AYP, including prevention

The Cost of an Adequate Plan to help all students reach proficiency
on AYP and state standards, including prevention

Connecticut Results

NCLB REVENUES VS STATE-LEVEL COSTS

(All figures are rounded to the nearest \$10,000. Assumes level funding from FY05-FY08.)

	01/02 -06/03	FY04	FY05	FY06	FY07	FY08	TOTAL
Federal revenues to CSDE for administration	12,390,000	11,070,000	11,780,000	11,780,000	11,780,000	11,780,000	70,580,000
State-level NCLB costs (Components 1-7)	10,400,000	11,200,000	16,225,000	20,140,000	24,990,000	29,230,000	112,185,000
Funding difference	1,990,000	(130,000)	(4,445,000)	(8,360,000)	(13,210,000)	(17,450,000)	(41,605,000)

Virginia Results

	03-04	04-05	05-06	06-07	07-08
Local Costs Per pupil	\$204	\$207	\$210	\$214	\$219
State Costs Per pupil		\$21	\$22	\$24	\$25
Total Costs Per pupil		\$228	\$232	\$238	\$244



Alternative Teacher Compensation Models

- Career Ladders
- Pay for Knowledge and Skills
- TAP
- Tiered Licensure
- ProComp



NBPTS

- Identification of Accomplished Teaching
- Fee Supports and Salary Supplements
- Only Union-Supported Differentiated Pay



Denver ProComp

- ❑ Four-year Pilot program
- ❑ Working Task Force
- ❑ Adopted by teachers in March 05
- ❑ Voters approved ProComp with mill levy increase



NCEE Report

- Explore Creating a P-16 System
 - Early Learning
 - World class gateway exam
 - High school students move into post-secondary education when qualified



How Other States Have Solved the Problem

- Adequacy Based School Funding
 - Maryland-Thornton Commission
 - Kansas-Court ordered
- Legislative Action-Property Taxes
 - Michigan
 - Idaho and South Carolina

State Comparison Matrix

STATE COMPARISON MATRIX				
States	Principles	Tax & Revenue	Variables	Other-New Creative
Connecticut	CCJEF	Dependent School Districts Increased Support for Categorical Programs	Includes Property and Income in Wealth Measure Over 40 Different Categorical Programs	State Use of Magnet Schools for Desegregation
Colorado	CSFP	TABOR Amendment 23 Proposition C Unequal Property Tax	Geographic Cost of Living At-Risk Weight Size Adjustment Local Option	Charter School Funding Proposed Charter Credit
Delaware	Vision 2015	70 % State Funded	Pupil Driven Allocation System School and District Leaders Lack Discretion	Severe Special Education Funding Costs
Kansas	Legislature	Uniform Property Tax Cigarette Tax Increase	At-Risk Size Adjustment Local Option	Auditor Adequacy Study
Maryland	Thornton Commission	Cigarette Tax Increase Dependent School Districts Raised General Taxes	Consolidated 58 Categorical Programs	Implemented Pupil Weighting System



Connecticut Taxes

- State taxes rank 19th among States in percent of income
- State and local taxes rank 11th



Connecticut Taxes

- ❑ State Sales Taxes: 19 State equal or higher
- ❑ State and City Sales Taxes: 39 Cities equal or higher
- ❑ Corporate Income Taxes: 22 States equal or higher
- ❑ Motor Fuels taxes: 10 States equal or higher
- ❑ Cigarette Taxes: 6 States equal or higher



Questions
