How Other States Have Solved the Problem

Connecticut School Funding Summit
January 30, 2007

John L. Myers
JL Myers Group

- 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

<table>
<thead>
<tr>
<th>NCLB REVENUES VS STATE-LEVEL COSTS</th>
</tr>
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<tbody>
<tr>
<td>(All figures are rounded to the nearest $10,000. Assumes level funding from FY05-FY08.)</td>
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</table>

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

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<tr>
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<th>03-04</th>
<th>04-05</th>
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<th>06-07</th>
<th>07-08</th>
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<tr>
<td><strong>Local Costs</strong></td>
<td>$204</td>
<td>$207</td>
<td>$210</td>
<td>$214</td>
<td>$219</td>
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<tr>
<td>Per pupil</td>
<td></td>
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<tr>
<td><strong>State Costs</strong></td>
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<td>$21</td>
<td>$22</td>
<td>$24</td>
<td>$25</td>
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<tr>
<td>Per pupil</td>
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<td></td>
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<tr>
<td><strong>Total Costs</strong></td>
<td>$228</td>
<td>$232</td>
<td>$238</td>
<td>$244</td>
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<tr>
<td>Per pupil</td>
<td></td>
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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

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

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

- State Sales Taxes: 19 States 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