Overview of the Study of Adequacy of Funding for Education in the State of Maryland

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Today’s Presentation

• Introduce the study team
• History of adequacy studies
• Study overview
• Our study plan
• Deliverables timeline
• Next steps
• Q & A
The Study Team

• Augenblick, Palaich and Associates: Lead contractor. Denver based education finance and policy consulting firm
  – Established in 1983
  – Has worked in all 50 states
  – Leading practitioner of successful schools and professional judgment adequacy approaches
  – Conducted study for Thornton Commission in 2000-01

• Picus, Odden & Associates: independent school finance consulting group
  – Principals combine for more than 70 years of finance experience
  – Developed evidence-based adequacy approach
  – Evidence-based approach is basis of finance systems in Arkansas, Wyoming, North Dakota, and Ohio
The Study Team

• Maryland Equity Project: An independent, non-partisan research and policy center located in the College of Education at the University of Maryland
  – Draws on faculty and staff expertise to improve education through research and policy analysis
  – Works to increase the impact of research on education policy in the state

• Humann Consulting: Extensive experience in the planning and management of school facilities. Has worked with numerous states and districts on facilities issues.
  – Was the Executive Director of School Facilities for Colorado’s second largest district
  – Has worked on school facilities planning and finance issues since 1994
Adequacy Studies

• Adequacy Studies were developed nearly 20 years ago to examine the resources necessary for districts, schools, and students to meet state educational standards.

• Need for studies driven by high-stakes standards/assessment movement – if students, teachers and schools expected to meet certain performance criteria, then state has obligation to provide adequate resources to do the job.
Adequacy Studies

• A number of processes have been refined over that time that examine and estimate these resource needs
  – How much do currently high performing schools spend?
  – What programs/strategies do practitioners believe to be necessary and what are the costs?
  – What does the research show to be effective and what are the costs?
  – What costs do statistical models predict to be necessary?

• A number of states, including Maryland, use the results of these studies to determine the level at which they fund schools
Overview of Study

• MSDE has asked for a thorough and comprehensive study of Maryland’s school finance system. Major study components consist of:
  – An adequacy study that uses at least 2 different approaches plus associated studies
  – A school size study
  – An evaluation of the cost to state aid formulas of the federal Community Eligibility Provision/determining alternative proxies for identifying low income students
  – An equity study and evaluation of alternative measures of local wealth for state aid purposes
  – An evaluation of the impact of increasing/declining enrollments on school districts
Overview of Study

– An evaluation of the Supplemental Grant program and assess ongoing role/need
– An evaluation of the current Maryland Geographic Cost of Education Index and develop recommendations for changes or new methodology
Overview of Study

• Our response is organized along 3 tracks:
  – Preliminary studies
  – Adequacy studies
  – Other required studies
# Study Plan Overview

## Preliminary Studies
- **Review of State Adequacy Studies**
  - (3.2.1.10; P. 345)
  - Anabel Aportela (POA)

## Adequacy and Associated Studies
- **Evidence-Based Approach**
  - (3.2.1.1-3.2.1.4; P. 352)
  - Allan Odden and Lawrence Picus (POA)

## School Size Study
- **School Size Study (3.2.2; P. 363)**
  - Cheryl Humann (for APA)

## Other Requested Studies
- **FRPM as Proxy for Economically Disadvantaged Count/Community Eligibility Provision**
  - (3.2.3.1.1; P. 368)
  - Robert Croninger and Jennifer King Rice (MEP)

## Case Studies of Improving Schools
- **Case Studies of Improving Schools**
  - (3.2.1.1, 3.2.1.3-3.2.1.8, and 3.2.2; P. 346)
  - Gail Sunderman and Robert Croninger (MEP)

## Literature Reviews
- **Literature Reviews**
  - (3.2.1.1, 3.2.1.3-3.2.1.4, 3.2.2, and 3.2.3.1.1; P. 349)
  - Mark Fermanich (APA)

## Other Requested Studies
- **Prekindergarten Services Study**
  - (3.2.3.2; P. 371)
  - Bob Palaich (APA)

## Literature Reviews
- **Professional Judgment Approach**
  - (3.2.1.1-3.2.1.4; P. 361)
  - Justin Silverstein (APA)

## Other Requested Studies
- **Equity and Local Wealth Measures Study**
  - (3.2.3.3; P. 374)
  - Lawrence Picus and Michael Goetz (POA)

## Analysis of Concentrations of Poverty on Adequacy Targets
- **Analysis of Concentrations of Poverty on Adequacy Targets**
  - (3.2.1.5; P. 343)
  - Mark Fermanich (APA), Gail Sunderman (MEP)

## Other Requested Studies
- **Increasing/Declining Enrollments Study**
  - (3.2.3.4; P. 374)
  - Bob Palaich (APA) and William Hartman (for APA)

## Gaps in Growth and Achievement Among Student Groups
- **Gaps in Growth and Achievement Among Student Groups**
  - (3.2.1.6; P. 343)
  - Mark Fermanich and Justin Silverstein (APA)

## Other Requested Studies
- **Supplemental Grants Evaluation**
  - (3.2.3.5; P. 375)
  - Robert Reichardt (APA)

## Correlation of Deficits in Student Performance and Funding
- **Correlation of Deficits in Student Performance and Funding**
  - (3.2.1.7; P. 344)
  - Mark Fermanich and Justin Silverstein (APA)

## Other Requested Studies
- **Regional Cost of Education Indices**
  - (3.2.3.6; P. 377)
  - Jennifer Imazeki (for POA)
Preliminary Studies: Review of Past Studies

• Review of best practices from past adequacy studies:
  – Summarize and synthesize the key elements of state adequacy studies conducted over the past decade
  – Focus on adequacy method used, level of base funding and weights (or dollars per pupil) for students from poverty, LEP and special education backgrounds
  – Lists the institution for which adequacy study was conducted and, if feasible, its impact on state policy
Preliminary Studies: Lit Review

• Systematic literature reviews to support multiple studies
  – Update of the literature base on effective practices used to guide professional judgment panel process- provide starting point;
  – The study of the effects of concentrations of poverty on the adequacy funding targets;
  – The school size study;
  – The study of alternative proxies for identifying economically disadvantaged students;
  – The evaluation of prekindergarten programs and the potential impact of universal access; and
  – The study of the impact of increasing and declining enrollments on local school systems
Preliminary Studies: Case Studies

- School level case studies
  - Identify high performing schools that are 1) overall high performing; 2) produced large improvements; 3) reduced achievement gaps; or 4) improved outcomes of special needs students. All schools that meet criteria will be identified and a total of 10-12 schools will be visited
  - Conduct site visits, interview staff using structured questionnaires
  - Provide in-depth description of effective strategies and programs and use this information to inform adequacy and other studies
Preliminary Studies: Case Studies

• The in-depth information from case studies includes:
  – Specifics of the state and local standards and performance goals schools striving to achieve
  – How these schools may use staff and instructional time differently to achieve higher performance
  – Descriptions of specific strategies, approaches and curriculum and how these may differ across school contexts
  – The assessments used and how they help to inform and guide instruction
  – Interventions used for supporting struggling students
Preliminary Studies: Case Studies

• Case studies inform other study components by:
  – Supporting selection of successful schools (for successful schools adequacy study)
  – Providing examples of effective approaches within Maryland context to support and inform findings from professional judgment and evidence-base adequacy studies
  – Providing examples of effective approaches to providing smaller learning environments
  – Providing specific examples of strategies that reduce achievement gaps
  – Providing specific examples of the linkages between concentrations of poverty and program costs and between school performance and spending
Adequacy Studies

• Will use 3 different approaches
  – Successful schools approach
  – Evidence-based approach
  – Professional judgment approach
Adequacy Studies

• Successful schools approach
  – Will identify successful schools using criteria similar to case study selection process, all identified schools will be analyzed
  – Use MSA data for main analysis, review results when PARCC becomes available in 2015
  – Because of few school districts, will be conducted at school level – will require spending survey of schools
  – Used to identify per student base funding amount
Adequacy Studies

• Evidence-based approach
  – Use results of research, best practices, and case studies to identify elements of prototypical schools at each level (Elementary, MS, HS) and district central office functions
  – Convene 2-4 panels to review prototypes and recommend adjustments for Maryland standards and context
  – Identifies base cost amount and student weights
Adequacy Studies

• Professional judgment approach
  – Assemble 5 progressive levels of panels to identify the resources needed in schools and districts in MD
    • 3-4 school level panels
    • 1-2 special needs panels
    • 1-2 district central office panels
    • 1 district chief financial officer panel
    • 1 final state wide panel
  – Will work with MSDE, Advisory group to identify and recruit participants
  – Identifies base cost and student weights
Adequacy Studies

• Supporting studies
  – Analyze effect of concentrations of poverty on adequacy targets – lit review, case studies and adequacy studies
  – Identify gaps in growth and achievement among student groups – analyze state/district level disaggregated MSA assessment results, case studies, inform weight determination
  – Analysis of correlation of student performance and education funding – analyze relationship between district/school expenditure data and disaggregated MSA results, case studies, adequacy study results
Adequacy Studies

– Impact of quality prekindergarten on school readiness as factor in adequacy study – preliminary findings of adequacy studies and PreK study, case studies, lit review
– Other factors identified by contactor – to be determined
• Synthesize adequacy study findings – compare base cost and student weight estimates from multiple approaches, develop recommendation on final figures
School Size Study

• Multiple components
  – Summarize current district policies on school sizes. Interviews with district facilities directors, document review
  – Review state’s role in establishing school size policies
  – Summarize school size policies in other states – review of websites and state policy documents and reports
  – Conduct literature review on the instructional and extracurricular influences on school size, incorporate district policy review
School Size Study

– Literature review and analysis of Council of Education Facilities Planners International and Council of Great City Schools policies and reports related to other factors influencing school size
– Identify models for creating smaller schools – same approach as above
– Determine capital and operating fiscal impact of smaller schools – analyze state and district capital spending and construction needs, district and school operating budgets and budget policies
– Identify costs and impacts of zoning requirements – review of municipal and county zoning regulations
School Size Study

– Effect of school boundaries and attendance areas on school size – GIS analysis, interviews with district facilities directors
– Literature reviews to summarize current research on educational issues surrounding school size, impact of size on achievement
– Literature review for identifying best practices for involving public in establishing school size standards or guidelines
– Literature review and case studies for identifying alternative approaches for creating space for smaller schools, e.g. renovations, alternative school designs

• Recommendations on ideal school sizes
Free and Reduced Meals (FARM) Proxies

• Research proxies for identifying low income students
  – Literature review
  – Review other states’ policies and practices
  – Review of available data in Maryland

• Estimate cost to school finance formulas of Community Eligibility Provision (CEP)
  – Identify schools already implementing CEP
  – Identify schools eligible for CEP
  – Estimate impact of state formula costs, research cost impacts in other states, conduct sensitivity analysis
  – Project future direct and indirect costs based on projections of FARM enrollments in MD
Prekindergarten Service/Funding Study

- Assess current services, quality, funding and capacity in state, and distribution across state
- Make interstate comparisons to peer states
- Estimate costs of service expansion at different quality levels
- Estimate the ROI of providing universal prek access at different service quality levels
- Develop recommendations
Equity and Local Wealth Measures Study

• Conduct school finance equity study to determine status of horizontal & vertical equity and fiscal neutrality in state
  – Include measures of property and income wealth currently used in state finance formulas

• Review literature and other state’s policies on wealth measurement

• Develop conclusions and recommendations
Increasing/Decreasing Enrollment Study

• Analyze enrollment trends and relationship to operating, transportation and capital revenues and expenditures over 10 years
• Identify key factors influencing transportation costs
• Review literature and other state’s policies on fiscal effects of changing enrollment
• Develop conclusions and recommendations, including potential adjustments in state transportation funding formulas to incentivize efficiencies
Evaluation of Supplemental Grants

• Review state policies, fiscal reports, and other administrative records related to grant program
• Interview state and district policymakers/administrators on rationale and impacts of grant funding
• Review preliminary adequacy findings to determine future need for grants
• Develop conclusions and recommendations
Maryland Geographic Cost of Education Index

- Update index based on current methodology
- Review current index methodology and funding impacts
- Proposed changes to the index and model fiscal impacts
- Develop conclusions and recommendations
Deliverables Timeline

• Monthly progress reports
• Quarterly progress meetings
• Multiple, regular Stakeholder Advisory Group meetings
• Report Summary of State of the Art in Measuring Adequacy and Data Availability: 8/31/2014
• Report Summary of School Size: 8/31/2014
• Preliminary Report - Impact of Smaller Schools: 11/30/2014
• Preliminary Report - Proposed Methodology for Establishing Adequate Funding Levels: 11/30/2014
• Final Report School Size: 6/30/2015
Deliverables Timeline

- Final Report Proxy for Economically Disadvantaged Students: 6/30/2015
- Interim Report on Adequacy Cost Study: 6/30/2015
- Preliminary Report – Review of Maryland Geographic Cost of Education Index Methodology: 9/30/2015
Deliverables Timeline

- Draft Final Report – Adequacy Study Base Funding and Weights: 9/30/2015
- Final Report – Adequacy Study: 10/31/2016
Next Steps

• General
  – Data collection
  – Finalize Stakeholders Advisory Group meeting schedule
  – Complete adequacy study review and summary school size reports
  – Analyze MSA data for selection Case Study and Successful School Study schools
  – Develop case study protocols
  – Begin literature reviews
Next Steps

• Begin identifying Professional Judgment panel participants
• Develop school prototypes for Evidence-based study
• Begin equity study
Questions?