

Maryland State Department of Education

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

Commission on Innovation and Excellence in Education

September 29, 2016

Kristy Michel, Deputy Superintendent

Study of Adequacy of Education Funding in Maryland

□ Background

- Bridge to Excellence Act required the State to conduct a follow-up adequacy study 10 years later.
- Law requires an adequacy study that identifies a base funding level for all students and per pupil weights for students with special needs to be applied to the base funding level, as well as several additional studies.
- MSDE, in collaboration with DLS and DBM, issued an RFP for this work in early 2014 and awarded the contract to Augenblick, Palaich & Associates in June of 2014.

Study of Adequacy of Education Funding in Maryland

□ Request for Proposal

- Chapter 397, Acts of 2011 and Chapter 709, Acts of 2012 defined the components of the study
- 3 Major studies; 10 separate components:
 - Adequacy Cost Study, School Size Study, Evaluation of Prekindergarten Services
 - 4 studies impact how funding is calculated – wealth, enrollment, student counts, Geographic Cost of Education Index (GCEI)
 - Additional research questions addressing concentrated poverty, gaps in student achievement and correlating gaps in performance with funding
- Described by vendors as a very comprehensive study

Study of Adequacy of Education Funding in Maryland

□ Study Plan

- Three methodologies along with case studies of improving schools are being used to determine an adequate level of education funding so that all Maryland students can meet State Standards:
 - Evidence-Based
 - Professional Judgment
 - Successful Schools
- Results of the three methodologies will be used to develop base cost and the additional weights necessary for the extra cost of services for special needs students.

Study of Adequacy of Education Funding in Maryland

□ Study Plan

■ Adequacy Study – Evidence-Based Approach

- The Evidence-Based approach uses research-based strategies and programs known to improve student achievement and estimates the cost of prototype schools (elementary, middle and high) using these programs and resources.
- 4 Panels and 76 Maryland educators, administrators and central office staff reviewed strategies, programs and services in June 2015 to create a Maryland-specific model.
- The Maryland-specific model will be used estimate a base funding amount and specific weights for special needs students.

Study of Adequacy of Education Funding in Maryland

□ Study Plan

- Adequacy Study – Professional Judgment Approach
 - The Professional Judgment approach allows educators to identify the programming and resources needed for all students, including those with special needs.
 - In October, November of 2015 and January of 2016, 9 panels and 76 Maryland educators, administrators and central office staff identified specific programs, services and resources needed for all Maryland students to meet State standards.
 - The programs, services and resources are used to estimate the necessary level of funding based on prototype schools. The model will produce a base cost and additional weights for special needs students.

Study of Adequacy of Education Funding in Maryland

□ Study Plan

- Adequacy Study – Successful Schools Approach
 - The Successful Schools approach uses the actual expenditures and resource allocations of high performing and vastly improving schools, based on current standards.
 - Actual costs, exclusive of funds spent on special needs students, are used to estimate a base level of funding.
 - Consistently high performing, high growth schools were selected.

Study of Adequacy of Education Funding in Maryland

□ Study Plan

■ Adequacy Study – Case Studies

- 12 improving schools were selected based on four categories:
 - overall high performing,
 - producing large gains in student performance,
 - reducing the achievement gap, or
 - improving the performance of one or more subgroups of students.
- Researchers conducted site visits to review school-specific programs and staffing.
- Common practices include shared responsibility for student achievement, collaborative approach to instruction, and a focus on high-quality teachers.

Study of Adequacy of Education Funding in Maryland

□ Other Studies

■ School Size Study

- Utilized a literature review, document research, district interviews, and case studies to develop a method for establishing an ideal school size and to identify opportunities for creating smaller schools.

■ Proxy for Economically Disadvantaged Students

- The study evaluated whether free and reduced price meal (FRPM) eligibility should continue to be a proxy for identifying economically disadvantaged students in several State Aid formulas, particularly as new federal Community Eligibility Provision is implemented.

Study of Adequacy of Education Funding in Maryland

- Other Studies, continued
 - Study of Increasing and Declining Enrollment
 - The study evaluated the impact of increasing and declining enrollment, including transportation costs, particularly for districts with large geographic areas, but small populations.
 - Equity and Local Wealth
 - The study evaluated the equity of the State's finance structure and the current calculation of local wealth used for education aid formulas.

Study of Adequacy of Education Funding in Maryland

□ Other Studies, continued

■ Prekindergarten

- The study evaluated current prekindergarten services and program funding and estimated the cost and benefit of providing universal access to high-quality prekindergarten.
- The Report provides Return on Investment estimates for different levels of quality and participation rates, noting high-quality programs provide the highest benefit.

Study of Adequacy of Education Funding in Maryland

- Other Studies, continued
 - Geographic Cost of Education Index (GCEI)
 - The study evaluated the current GCEI methodology and recommended using a Comparable Wage Index (CWI).
 - CWI approach, due to the relative simplicity of the model and the availability of data, is more appropriate than the statistically complex hedonic model currently used in Maryland.
 - The study team is modeling the CWI approach in its recommendation.

Study of Adequacy of Education Funding in Maryland

□ Other Studies, continued

■ Concentrations of Poverty

- The research team conducted a literature review to inform their analysis of the effect of concentrations of poverty on the adequacy targets (base cost and weights for students with special needs). The complete analysis will be included in the Final Report.

■ Supplemental Grants and other Research Questions

- The research team will consider the current Supplemental Grants program and the gaps in performance and funding as the adequacy targets are developed and include recommendations in the final report.

Study of Adequacy of Education Funding in Maryland

□ Time Frame

- Final Report – Adequacy Study – November, 2016

□ Questions