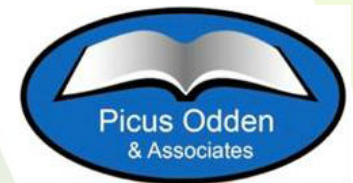




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Presentation to the Maryland Commission on Innovation and Excellence in Education: Adequacy Study

APA Consulting
October 25, 2017



Adequacy Study

- Analyzed PK-12 funding adequacy in Maryland using three approaches:
 - Professional Judgment (PJ)
 - Evidence-Based (EB)
 - Successful Schools/Districts (SSD)
- Made recommendations for new, adequate:
 - Per pupil base amount
 - Weights for students with special needs
 - Other aspects of school funding system
- Other related recommendations as required by RFP

Using Multiple Approaches to Estimate Adequacy in Maryland

	Evidence-Based	Professional Judgment	Successful Schools/Districts
Benchmark of Success	Ensuring students can meet all State standards	Ensuring students can meet all state standards	Currently outperforming other Maryland schools
Data Source	Best practice research, reviewed by Maryland educators; when conflict arises in resource recommendations, the EB approach defers to the research	Expertise of Maryland educators serving on PJ panels; uses research as a starting point but defers to educators when conflict arises in resource recommendations	2014-15 expenditure data from selected successful schools
Available Data Points			
Base	Yes	Yes	Yes
Student Adjustments (Weights)	Yes	Yes	No

Results of Three Approaches

	2014-15 Maryland	Evidence- Based	Professional Judgment	Successful Schools
Base Cost	\$6,860	\$10,544	\$11,607	\$8,716
Weights				
Compensatory Education (At risk)	0.97	0.30	0.36	N/A
Limited English Proficient	0.99	0.38	0.61	N/A
Special Education	0.74	0.70	1.18	N/A
Prekindergarten		0.40	0.26	

* Note, Maryland weights are net of Federal dollars while adequacy weights are not. EB special education weight does not include severely disabled students while PJ weight does. PJ weights for at-risk and LEP are averages across varying concentrations.

Developing a Final Blended Base

- It was important to utilize all three approaches for the study team to understand the differences in base costs associated with meeting Maryland's benchmarks of success
- The final base cost figure is based on the results of both the PJ and EB approaches
 - The results of these two approaches best represent resources required to meet all state standards
 - The study team does not believe the SSD figure fully represents the current cost of adequacy in Maryland, however, the study team believes that the SSD figure could be used during the phasing-in of a new funding system
 - The final figure relies on the research and feedback from both the EB and PJ approaches and the case studies
 - The main areas of resource differences were identified and the differences were reconciled using all the information available from the two studies and the case studies

Shift to Higher Base Amount

- The estimates of the preferred EB and PJ approaches represent a significant shift from the current funding model – a shift from low base/larger weights to high base/smaller weights
- A clear message from the research and the Maryland educators serving on PJ panels was that all students, even those without special needs designations, require higher levels of support to meet today's greater performance expectations
- Current expectation is for more supports, even for special needs-designated students, to occur in the regular education classroom
- Both the EB and PJ approaches, and thus the resulting blended base figure, represent this important shift toward allocating more resources through the base cost to provide a higher level of services to all students regardless of identified need

Adjusting for Federal Funds

- The base figure and weights represent the total costs of providing educational services, so certain federal funds also used to fund these services must be deducted from the totals (this was also done for the Thornton study)
- Total of \$485.6 million in federal funds from regular ed., compensatory ed., LEP, special ed., and early childhood programs

Recommendation for Blended Per Pupil Base and Weights

	Before Adjustment for Federal Funds	After Adjustment for Federal Funds
Base Amount	\$10,970	\$10,880
Compensatory Education	0.40	0.35
LEP	.040	0.35
Special Education	1.10	0.91
Prekindergarten	0.35	0.29



Other Study Recommendations

Recommendation

- Address declining enrollment by changing the FTE enrollment count used for calculating total program
- Continue counting low-income students using eligibility for the federal free- and reduced- price meals program, may need to develop a state form
- Adopt universal full-day prekindergarten for 4-year-olds (estimated to comprise 80% of four-year-olds)
- Replace the current GCEI with a three-year rolling average of the Comparable Wage Index (CWI)

Recommendations

- Change the way in which local wealth is calculated using November NTI and the multiplicative approach for combining NTI and property values
- Change the way State and local shares are determined by eliminating minimum aid guarantees and requiring full local contribution for special needs students
- The Supplemental Grant Program should be discontinued in its current form

Revisions to Final Report

- Errata
 - Addressing number of clerical errors and minor corrections to the *Final Report of the Study of Adequacy of Funding for Education in Maryland*
 - One substantive revision is related to how current state share and special education total program figures used for comparison purposes were calculated:
 - In the *Final Report* published in November 2016, the state share of nonpublic placement of special education students was unintentionally excluded.
 - The figures are being updated to include the state share of nonpublic placement for state share comparisons and nonpublic placement total program for comparisons including special education total program.

Revisions to Final Report

- Addendum
 - All figures are being revised to reflect a change in the way that employee retirement costs are handled.
 - In the *Final Report* funding for all employer-paid retirement costs was included in the calculation of the proposed total program amounts.
 - Doing this assumed that districts' state and local shares would both contribute to paying for these costs.
 - However, under State law the normal costs of retirement must be paid entirely out of local appropriations with no contribution from districts' state shares.
 - In order to accurately reflect how local retirement payments are funded under current law, APA is drafting an addendum where the proposed total program estimates exclude retirement funding.

Questions Received on:

- Transportation recommendations
- Concentrations of poverty
- Use of successful schools base
- Inclusion of technology costs
- Wealth calculations
- Possibility of fixed cost amount to district based upon number of schools
- Fine Arts staffing
- Timeline



Additional Questions?