Process and Assumptions for Costing Out Workgroup Elements

Presentation to the Commission on Innovation and Excellence in Education

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General Approach

• Identified whether an element would have an *additional* cost and/or require a shifting of existing resources

• Identified whether the cost would be one-time (even if over multiple years) or permanent and ongoing

• Adjusted for overlapping elements where possible
  – For example, teacher salary increases recommended by working group 2 were incorporated into transitional supplemental instruction recommended by working group 3

• When implementation of one element was related to implementation of another, the phase-in schedule was adjusted accordingly

• Used costing out and implementation assumptions developed by the working groups
  – If none were developed by working group, staff used their best judgement
General Approach

• Costs were inflated to fiscal 2020 and then held constant
  – Inflation will be applied to the total cost at a later meeting

• Costs were not differentiated between the source of revenue
  (i.e., State, local, available federal funds)

• Staff used the best data available for current expenditures

• Staff have identified items that could require additional State
  agency costs
  – These costs include IT/data collection and analysis, additional
    staff, etc.
  – When administrative costs can be reliably estimated, staff have
    done so
Phase-In Timing Assumptions

- **Year 0 – fiscal 2020**
  - Bridge year for transitional programming, start-up costs, training, needs assessment, etc.

- **Year 1 – fiscal 2021**
  - Main formula funding phase-in begins

- **Year 5 – fiscal 2025**
  - Mid point of phase-in

- **Year 10 – fiscal 2030**
  - Final year of phase-in
Caveats and Cautions

• It would be inaccurate to simply add together each element and characterize this as a total cost
  – Cost overlaps have not been fully adjusted
  – Cost savings have not been incorporated

• At this stage, there are cost overlaps (i.e., double counting) because each element has been separately costed out
  – An adjustment to remove double counting will be done as a final step

• Costs are based on assumptions. To the extent assumptions are changed or actual implementation differs, there may be a difference in cost and a potentially significant difference
Building a Formula

- **Per Pupil Weights** – reflects on-going resources needed by a specific population
- **Add-on Grants** or categorical funding – reflects one-time or short term initiatives
- **Foundation Program** – reflects on-going resources all students need

- **Wealth**
- **Equity**
- **Enrollment**