

# Student Centered Learning Priorities Working Group



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Office of the Governor

# Welcome



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Office of the Governor

# Classroom Spending

**Arizona Chamber of  
Commerce, Arizona  
School Boards  
Association**

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Office of the Governor





# Classroom Spending

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Becky Hill, Arizona Chamber of Commerce

Janice Palmer, Arizona School Boards  
Association

# History of Dollars in the Classroom

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- Prop. 301 changed the debate: More money = more accountability
- July 1, 2001 – Established the School Wide Audit Team in the Office of the Auditor General
  - Dollars in the Classroom report
- 2010 reforms - Focus on achievement
- 2015 – Dollars in the Classroom reemerges
  - What is “classroom?”

# Auditor General's Dollars in the Classroom Report – Teachers and Administrators

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- Salaries and benefits for administrators are 31% lower than national average
  - National \$904
  - Arizona \$621
- Arizona's larger classroom sizes partially explain the differential 18.6 v 16; generally lower funding levels and teacher shortage exacerbate this issue
- Teacher support is up from 2009
  - In 2010 two important things happened that impact the need to pay more attention to teacher Professional Development: New Standards and Educator Evaluations



# Auditor General's Dollars in the Classroom Report – Utilities

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- Arizona's plant operations costs are primarily due to energy costs
- Phoenix Metro Area is hottest in the country with most days above 99 degrees ([currentresults.com](http://currentresults.com))
- Miami is second hottest but they have lower utility costs ([Numbeo.com](http://Numbeo.com))
- Top 10 hottest states ([currentresults.com](http://currentresults.com))

# Auditor General's Dollars in the Classroom Report – Poverty and Special Needs

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- Poverty and Special Needs are directly correlated to higher spending on Student Support
- In the most recent NAEP, Arizona was fourth best in the country in closing the gap in fourth grade reading.
- We also know in Arizona that we fund based on Special Ed diagnosis rather than scope of services. In other words, if we paid more for the services out of the formula it would show up in classroom not non-classroom.



# Arizona Current vs. New Classroom Reporting

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## Existing FY2014

Administration	10%
Plant Operations	12.2%
Food Service	5.3%
Transportation	4.9%
Student Support	7.9%
Instruction Support	5.9%
<b>Instruction</b>	<b>53.8%</b>

## New FY2014

Administration	10%
Plant Operations	12.2%
Food Service	5.3%
Transportation	4.9%
<b>Total % of Classroom Spending 67.6%</b>	

# National Current FY 2014 Vs. New Classroom Reporting

## Arizona Classroom Spending

Instruction	53.8%
Student Support	7.9%
Instruction Support	5.9%
Total	67.6%

## U.S. Classroom Spending

Instruction	60.9%
Student Support	5.6%
Instruction Support	4.8%
Total	71.3%

# Is This Information Valuable?

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- Does this information drive decisions or is there a better way?
  - Page 3 Succinctly explains the differentials and makes the point that any problems with classroom versus “other” is more of a district-by-district exercise and that legitimate Arizona-specific issues exist for the cost differentials in most cases
  - Inefficient v. Efficient
- Inputs v. Outputs
  - Focus on Dollars in the Classroom or Achievement?



# Competency-Based Education

## Foundation for Excellence in Education

Karla Phillips

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Office of the Governor





# Competency-Based Education



# Foundation for Excellence in Education

Our vision is to build an education system that maximizes every student’s potential for learning and prepares all students for success in the 21st century.

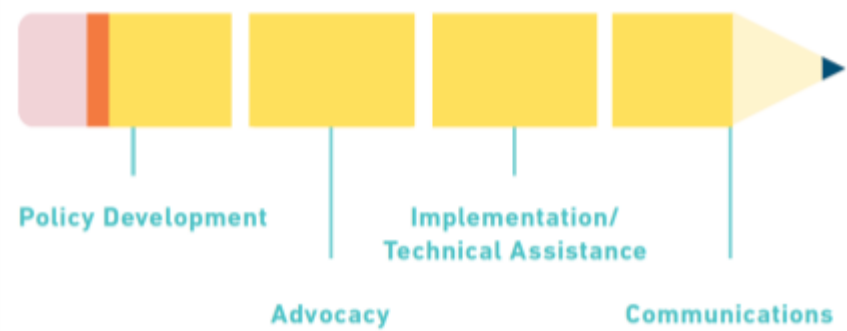
## Our Guiding Principles

All children can learn.

All children should learn at least a year’s worth of knowledge in a year’s time.

All children will achieve when education is organized around the singular goal of student success.

## What We Do



## Our Board of Directors



Dr. Condoleezza Rice  
Chair of the Board of Directors



F. Philip Handy  
President of the Board of Directors



Reginald J. Brown  
Board of Directors



César Conde  
Board of Directors



Betsy DeVos  
Board of Directors



Joel Klein  
Board of Directors



William Obendorf  
Board of Directors

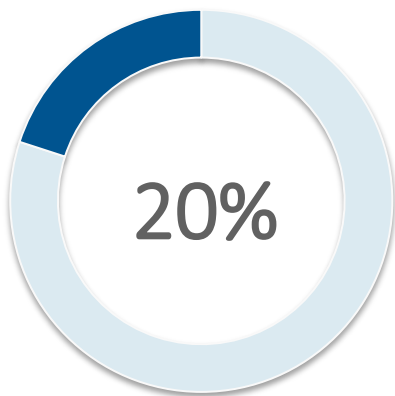


Charles R. Schwab  
Board of Directors

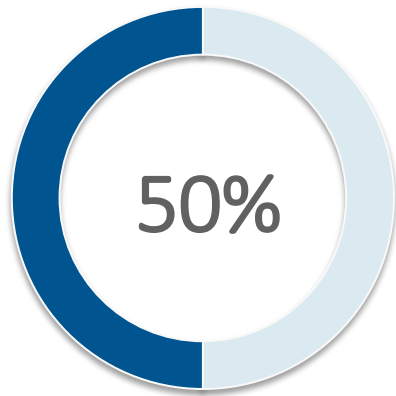




# Parents Trust Schools to Tell Them if Their Child is Succeeding, but Post-Graduation Numbers Tell a Different Story

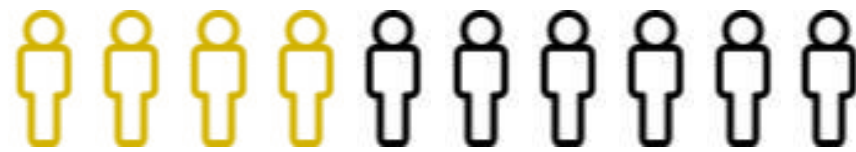


Of those entering four-year universities are placed in remedial classes.



Of students entering two-year colleges are placed in remedial classes.

Nearly **4 in 10 remedial students** in community colleges never complete their remedial courses



Annually, **\$7 billion** spent on remedial coursework.

**1.7 million**  
beginning students start in remediation each year.

Sources: Complete College America and National Bureau of Economic Research



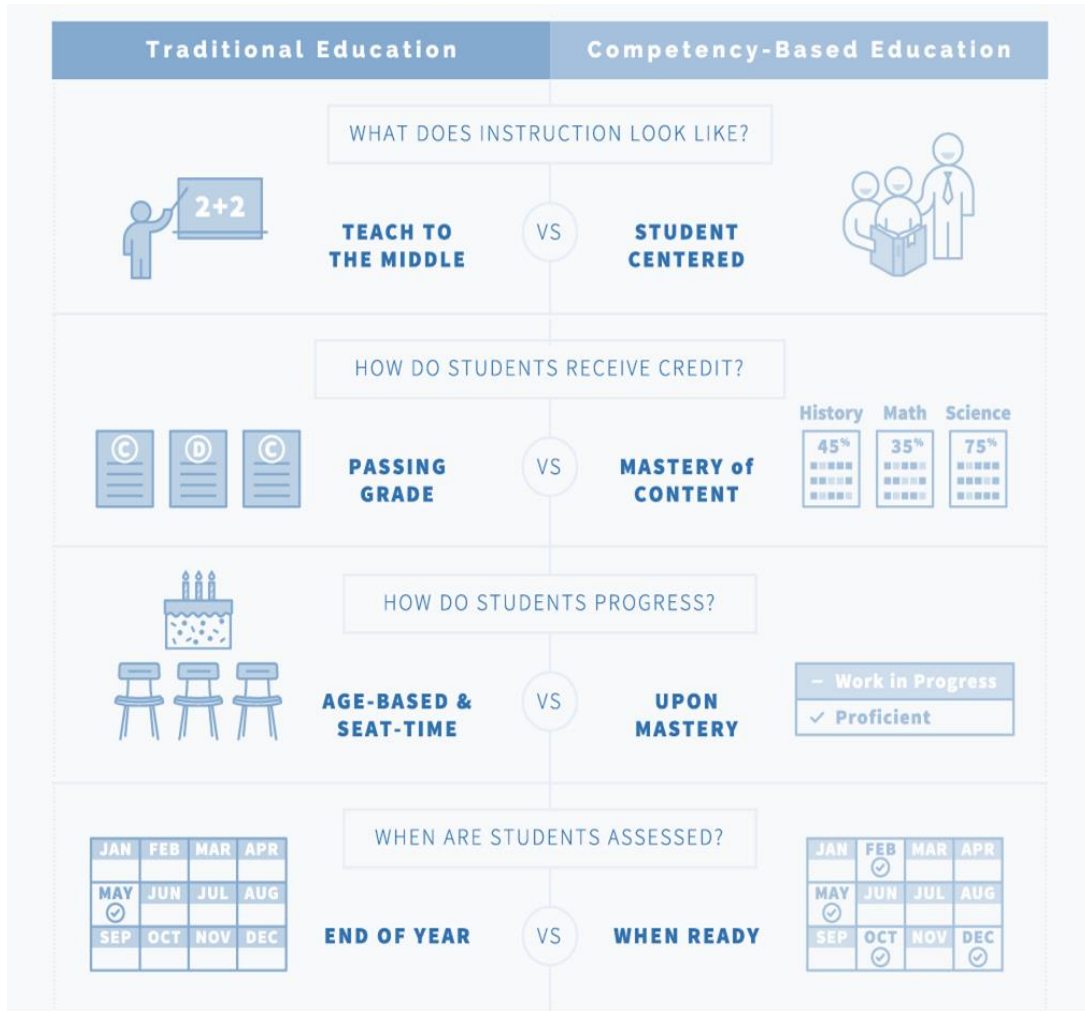
# What is Competency-Based Education?

Time should be the variable, and learning the constant.

## Competency-based education

is a system where students advance to higher levels of learning when they demonstrate mastery of concepts and skills regardless of time, place or pace.

## Shift in Instruction and Learning:





# Where Can States Begin?

1

## **Flexibility from Time Based Systems**

Eliminate policies that tie the award of credit to the amount of minutes spent in a classroom and provide flexibility from mandatory time-based attendance reporting requirements as well as required 180-day annual calendars and fixed amounts of daily instructional minutes per day.

2

## **Facilitate Higher Education Acceptance**

Develop a certification or other assurance that higher education will recognize for competency-based diplomas.

3

## **Transition to Proficiency-Based Diplomas**

Amend graduation requirements to require that diplomas must be competency-based and specifically preclude the use of seat-time for credit acquisition and redefine course and credit requirements as competencies.

4

## **Create Innovation Districts and Schools**

To empower innovative leaders who already have a clear vision for transition to a competency based system, states can authorize a competency-based pilot.

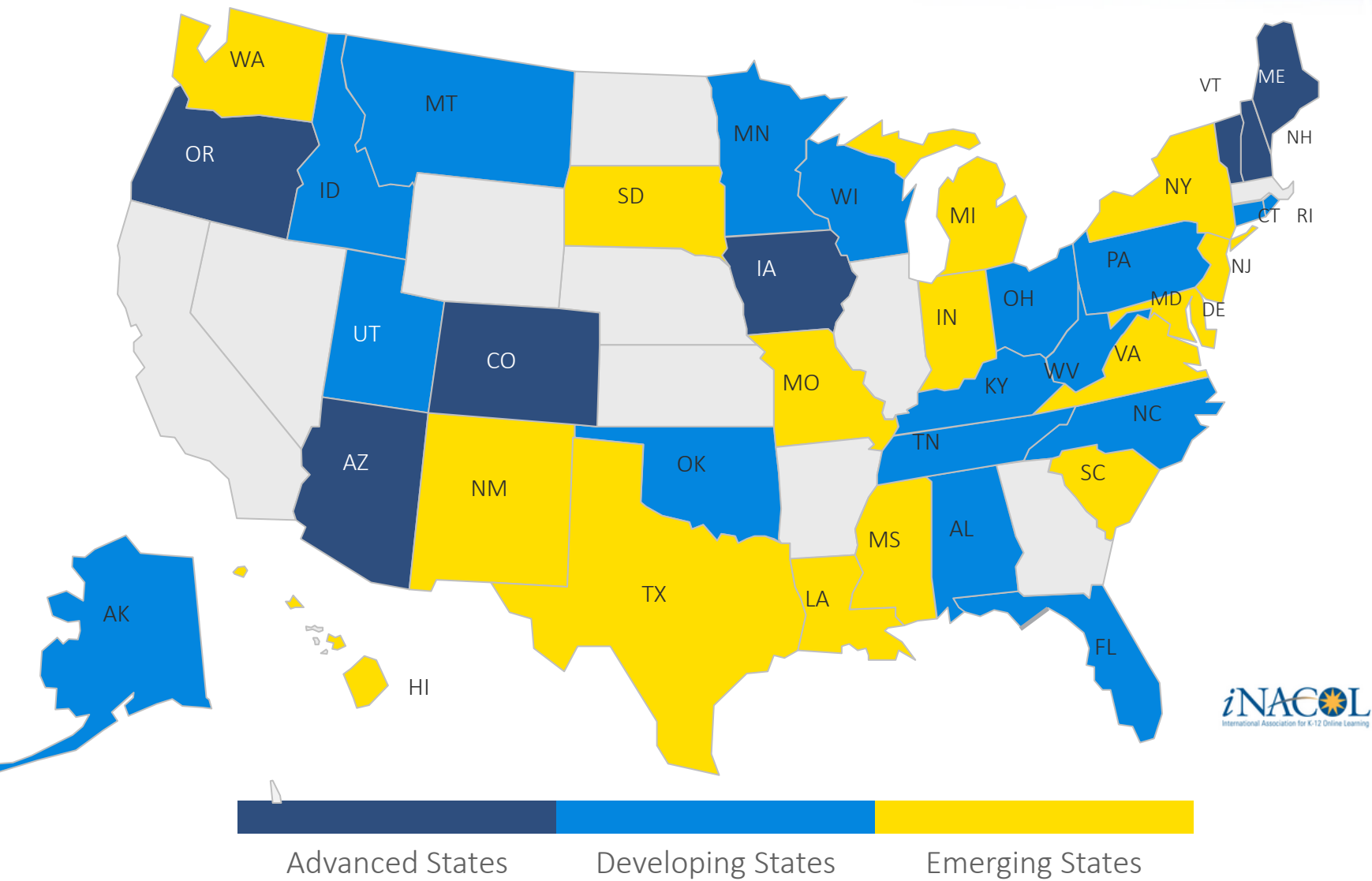
5

## **Encourage Anytime, Anywhere Learning**

Encourage learning out-of-school, after-school, and before school activities. Eliminate policies that impede a schools ability to award credit for extended learning opportunities.



# Competency-Based Education



Source: INACOL



# Implementation Challenges

- 1 State Graduation Requirements
- 2 Data Systems
- 3 Assessment Policies
- 4 Accountability
- 5 School Finance



# Challenge 1: State Graduation Requirements



## New Hampshire:

Abolished Carnegie Unit and directed that all high schools determine credit by students' mastery of material, rather than time spent in class.



## Colorado:

Embedded competency-based education into graduation guidelines.



## Maine:

Proficiency Based diplomas legislated: Beginning in 2017, a diploma indicating graduation from a secondary school must be based on student demonstration of proficiency.





# Challenge 2: Data Systems

Competency-based learning  
\_\_\_\_\_ **vs.** \_\_\_\_\_  
Learning management systems

- Competency-based learning strains existing data systems: Student management systems, interaction with state data reporting systems, record keeping system/ gradebook.
- Current learning management systems are difficult to use in a system committed to flexible pacing and numerous pathways for their students to advance.

# Challenge 3: Assessment Policies



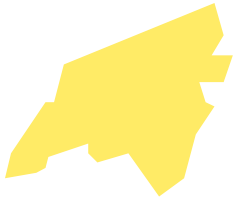
## State Policies



**Ohio** Innovation Lab Network assessment waivers.



**New Hampshire** - USED waiver – the Performance Assessment of Competency Education (PACE).



**North Carolina** SBE recommendation to pilot through course assessments. 9,000 5th and 6th graders will take shorter assessments throughout the year.

## Federal Policies



Innovative Assessment and Accountability Demonstration Authority in Senate ESEA Reauthorization bill.

# Challenge 4: Accountability



Senate ESEA Reauthorization proposal includes accountability.



Proficiency and growth should both play a role.

## How can accountability and competency-based education co-exist?



Accountability systems will need to reinforce a pace that reflects a four year graduation expectation while providing incentives for acceleration and credit for students needing extended time for achieving readiness.

# Challenge 5: School Finance



- The days of students sitting behind a desk in the same school for the exact amount of legally required minutes are slipping away.
- A school finance system based on the amount of time students physically spend in a building or in a desk **has created a zero-sum game and has multiple implications**



# Challenge 5: School Finance



Some states have made fundamental steps to reframe their school finance conversations:



**Idaho's** Task Force for Improving Education made recommendations to “enhance fiscal stability and remove current barriers to personalized and/or mastery learning models...”



**Utah** passed SB 393 directing the State Board of Education to develop recommendations for a funding formula to support competency based education.



**Georgia** Governor Deal's Digital Learning Task Force recommended designing “a funding mechanism that provides flexibility to foster blended and competency-based learning while balancing the operational needs of districts.”

# Challenge 5: School Finance



The conversations and recommendations of each state differ, but there is one common theme:

*These states recognize the need for a school finance formula that is flexible and breaks the connection between seat time (a.k.a. average daily membership) and funding.*



# ExcelinEd Competency-Based Initiative

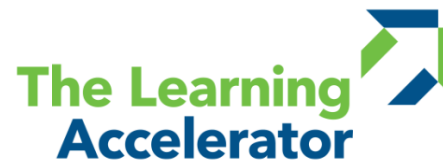
ExcelinEd is partnering with state leaders and local schools to build a shared vision and understanding of competency-based models.



The pilots will assist participating states in setting a path to a competency-based system that addresses unique policy landscapes and starting points.

# Competency-Based Education Resources and Materials

- ExcelinEd Fundamental Principles
- Digital Learning Now: [The Shift from Cohorts to Competency](#)
- CompetencyWorks: [Aligning K-12 State Policies with CBE](#)
- iNACOL - CompetencyWorks: [Necessary for Success](#)
- Achieve: [Advancing Competency Based Pathways to College and Career](#)
- KnowledgeWorks: [Policy and Political Landscape for K-12 Competency Education](#)
- CCSSO: [Roadmap for Competency-Based Systems](#)





# Thank You !

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# Adjourn

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Office of the Governor



## **Student Centered Funding and Special Education**

### **Special Education Cost Study**

#### **Background:**

Required by ARS §15-236; but has been suspended

- Requires ADE to request a separate line item appropriation for program and fiscal audits of special education programs in the budget estimate submitted pursuant to section 35-113.

Last Cost Study Done in Fiscal Year 2007

- Executed by ADE's Audit Unit; previous five done by Heinfield & Meech
  - Used sampling
- ~117,000 students with disabilities; or 11% of the student population
- Demonstrated \$144.8 million in additional costs

#### **Options:**

- Reinstate the Special Education Study as is
- Reinstate the Special Education Study with changes to methodology – i.e. looking at the Group B categories, expand health services and funding in the study

### **Catastrophic Special Education Fund**

#### **Background:**

- ARS §15-774 -- Special Education Needs Fund Established
  - Exists; however, currently has no monies in it (and doesn't appear to have been funded for the past seven years)
  - Not available to charter schools
  - State Board administers
  - Grants must be used in that fiscal year; revert back to ADE for reinvestment in Fund
- IDEA High Cost Child grant -- \$1.938 million
  - For 2015, ~\$500,000 in expenditures

#### **Options:**

- Fund the Special Education Needs Fund – expand to charters, determine whether current statute properly addresses the catastrophic need
- Better communicate these items exist

## The Underfunding of Group A Students

### Who are the Group A Students?

There are 10 categories under Group A but we will focus specifically on 6 of these categories which are significantly underfunded so we have split the Group A list and identified these categories as Group A.1. These students have the needs identified in the table below:

Group A.1	Group A.2
Developmental Delay	Gifted
Emotional Disability	Homebound
Mild Mental Retardation	Remedial
Other Health Impairment	Career Education
Specific Learning Disability	
Speech/Language Impairment	

### How many students fall into this category?

Approximately 10% of students attending Public School Districts or Charter Schools fall into Group A.1.

### How are these students funded for their additional needs?

The entire Group A category is funded by a Group A weight of 0.158, for grades K-8 and 0.105 for grades 9-12 that is multiplied against the student count for all students (these two weights differ for small school Districts and Charters) and a Group B weight of 0.003 that is multiplied against the student count of students with needs identified in Group A.1. The 0.105 weight for 9-12 is the portion of the Group A weight that is attributable to Group A students as defined in A.R.S. 15-943. Here is an example of how that formula works in 2013-14 for a District that has 1,000 K-8 students, 1,000 students in grades 9-12 and 10% of their population falling into Group A.1.

	Group A for K-8	Group A for 9-12	Group B
Student Count	1,000	1,000	200
Multiplied by Applicable Weight	0.158	0.105	0.003
Equals Total Weighted Add-On	158	105	0.60
Multiplied by the Base Level	3,326.54	3,326.54	3,326.54
Multiplied by the Teacher Experience Index	1.0	1.0	1.0
Equals Increase to the Revenue Control Limit	525,593.32	349,286.70	1,995.92
Divided by the ADM	200	200	200
Equals the Annual Increase Per Student	2,627.97	1,746.43	9.98
Divided by the Days in a School Calendar	180	180	180
Equals the Daily Increase Per Student	14.60	9.70	0.06

\*Assumptions: Either a Charter or a District not participating in the Teacher's Compensation Program, Either a Charter or a District not eligible for an increase in the Teacher Experience Index, assumes that 10% of the population also falls into Group A.2.

### How do you know that the funding for these students is insufficient?



A Special Education Cost Study was performed in 2005 and 2007 by Heinfeld & Meech and the Arizona Department of Education. They identified that the Group A Students were significantly underfunded and that the disparity was increasing each year. In 2007, their detailed analysis of the funding along with the actual cost of services rendered to properly address the needs of students identified that the formula underfunded this group of students by \$53.71 million.

### What are some typical costs associated with servicing these students?

Students will typically spend one hour a day, four days a week working with a Speech Language Pathologist in a small group setting. These small group settings are usually 3-5 students in the elementary grades and 10-13 students in Middle School and High School. They will also receive similar instruction for Math. This means that a full FTE for a Speech Language Pathologist or Math Interventionist is able to assist up to 30 students at an elementary level and up to 65 students at the Middle or High School level. The average cost for Salary and Benefits for these positions is \$50,000 at the elementary level and \$65,000 at the secondary level. Every student also receives an annual IEP meeting which involves key administrators, the Regular Education Teacher, Special Education Teacher, Speech Language Pathologist and Psychiatrist. The District also provides professional development for teachers so they can more effectively work with students with needs and Instructional Assistants to help the students in the regular classroom environment. The table below reflects the average per student cost if all employees are assisting the maximum number of students. The revenue is the applicable Group A weight combined with the Group B weight.

	Group A.1 K-8 Students	Group A.1 9-12 Students
Group A Weight Revenue	2,627.97	1,746.43
Group B Weight Revenue	9.98	9.98
Annual Revenue	2,637.95	1,746.41
Speech Language Pathologist	(1,666.67)	(1,000.00)
Math Interventionist	(1,666.67)	(1,000.00)
IEP Meeting	(200.00)	(200.00)
Instructional Assistant	(500.00)	(500.00)
Psychologist	(500.00)	(500.00)
SPED Teacher	(300.00)	(300.00)
Balance	(2,195.39)	(1,753.57)
Proposed Additional Revenue	555.53	555.53

### What are the negative ramifications of underfunding this category?

The Group A weight of 0.158 or 0.105 is applied to all students regardless of whether or not they have a need. The only additional funding applied if the student is identified as having a Group A.1 need is the Group B weight of 0.003 which equates to less than \$0.06 a day. Once the student is identified then services must be rendered including small group instruction, possibly one-on-one resource assistance and an annual Individualized Education Plan (IEP) meeting that includes several key staff members sitting with the parent discussing learning goals for about an hour. The less than \$10 of additional funding generated by the student with this need is insufficient to cover the cost of the IEP meeting yet alone the cost of services rendered throughout the year. The result is that there is a financial incentive

for Districts and Charters to under identify students with these needs which can lead to the student falling behind and eventually dropping out of school.

#### Why is the Group B weight so low?

The Group B weight was originally intended to just cover students who needed an Extended School Year to help avoid severe regression that would occur over the summer.

#### What is the solution?

The first step is to address the underfunding of Group A students that was identified in 2007. The most effective method for addressing this issue is with the Group B weight to ensure that Districts and Charters are receiving the funding based on the number of Group A.1 students that they are servicing. Eventually, the State should reinstate the Special Education Cost Study to determine the effectiveness of this solution and to properly determine if any other underfunding or overfunding exists.

#### How much will the solution cost?

As identified in the 2007 Special Education Cost Study, we need to direct another \$53.71 million towards this population in order to ensure that they are adequately funded and the students are receiving the level of service that is needed. According to the Joint Legislative Budget Committee, this can be accomplished by changing the Group B weight from 0.003 to 0.170.

## **Special Education Cost Study: Group B Weights**

### Overview

Special education programs in Arizona school districts and charter schools are funded based on a “weighted” formula. Statutes specify Group A and Group B program support level weights. When the State’s portion of funding public school special education decreases public local funds must fund the difference.

### Underfunding Special Education

According to the Special Education Cost Study the State underfunded Special Education programs by \$81,484,986 with the State’s portion only covering 89.63% of total Special Education Costs.

### Adjustment of Group B Weights

The Cost Study concluded that State funding was less than the average cost per student in eight Group B categories: Autism, Emotional Disability, Hearing Impairment, Multiple Disability, Moderate Mental Retardation, Orthopedic Impairment, Severe Mental Retardation and Vision Impairment. As a result some of these categories are as much as 40% underfunded.

In order to prevent underfunding these categories, the Cost Study recommends increasing the weights assigned to these 8 categories. A similar effort was undertaken in 2005 in order to address four categories that were underfunded by as much as 20.6%. After increasing weight adjustments in FY 2005 these four categories were fully funded by FY 2007. Without the adjustment these categories would have remained underfunded by as much as 16.53%.

Given the past success of Group B weight adjustments, the Legislature should fine-tune Group B weights to bring State funding in line with the cost of special education programs.