

Equitable Funding Structure

Working Group



Office of the Governor

Welcome



Office of the Governor

Assorted Funding Topics

**AASBO, Goldwater
Institute, Arizona
Charter Schools
Association**

Office of the Governor



Equitable Funding Structure Work Group

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AASBO
Arizona Association of
School Business Officials



Today's Agenda

- Concepts for consideration:
 - Special Education
 - Teacher Funding
 - Per pupil Funding Overview
- 8/13/15 Working Group questions- answered

Special Education

- Student-specific costs: The special education debate centers largely on two questions:
 - What is the true cost of special education?; and
 - Are these special education costs diverting funds from general education programs?
- Consideration:

Conduct an updated cost study for special education students including the cost of transportation

Catastrophic Special Education Fund

- Student-specific costs: Private placement and services for the most “significantly impacted students” (1%) significantly exceed state funding

- Consideration:

Once a child is identified by an LEA as needing special education services outside the LEA or for catastrophic (top 1%) services, Arizona – and not the LEA - is financially responsible for that student

Catastrophic Special Education Fund

- A.R.S. §15-774 should be revised;
- *See National Association of State Directors of Special Education*
http://nasdse.org/DesktopModules/DNNspot-Store/ProductFiles/82_dce66976-08dd-4cdd-abbd-1397e973c81a.pdf
- *Colorado has had a tiered system of state funding since 2007*
 - *A base amount goes to all students with disabilities. A second tier gives additional funding to more impacted areas, e.g., autism, multiple disabilities, traumatic brain injury, etc. A third tier helps defray local costs for students with disabilities where educational needs are \$40,000 or greater.*

Allocation of Resources

- District LEA's abilities to allocate and carry forward resources (funding) is limited and creates inefficiencies and perverse spending behaviors
 - Charter LEA's are not subject to these limitations
- Consideration:
 1. Simplify District LEA accounting for full expenditure flexibility; and
 2. Either increase or eliminate carry-forward limitation
 - Currently set at 4% for District LEAs

Base Level Teacher Funding

- The equitable based allocation does not provide charter LEAs access to teacher funding thus creating an inequity
- Consideration:
 1. Make Teacher Compensation (1.25%) uniform for all LEAs; and
 2. Make Teacher Experience Index (TEI) calculations uniform for all LEAs

Per-Pupil Funding Concept Overview-

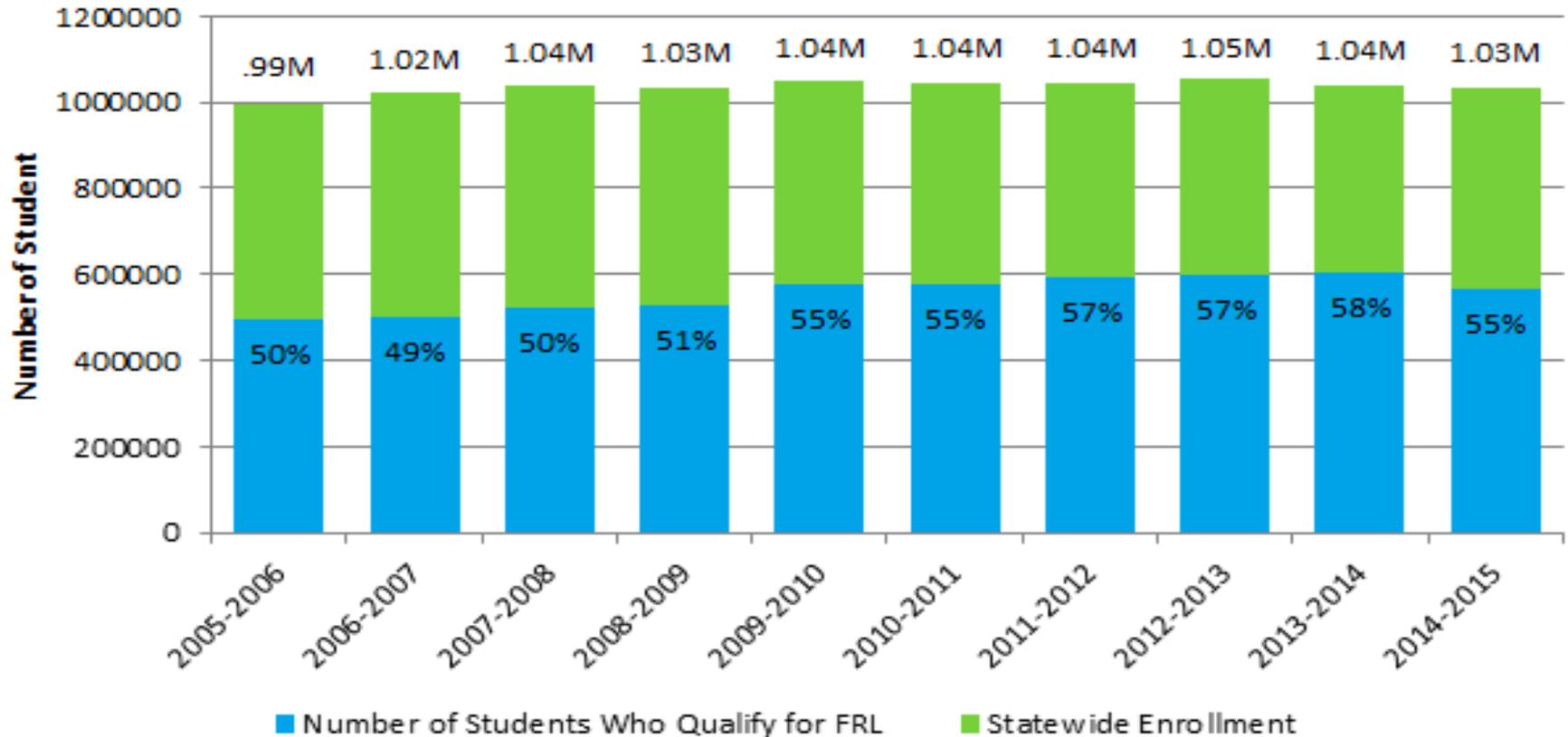
Uniform formula for all LEAs

1. Base-level
 2. Grade-specific weights
 3. School-type specific weights
Isolated; Quality
 4. Additional Assistance
Capital; Transportation
 5. Student-specific weights
At-risk; Gifted & Talented
-
- Equalization Base**
- Equity Funding**

This overview attempts to operationalize other working groups recommendations, i.e., at-risk and quality school weights

Arizona's Student Population

Statewide Enrollment with Percent Free and Reduced Lunch



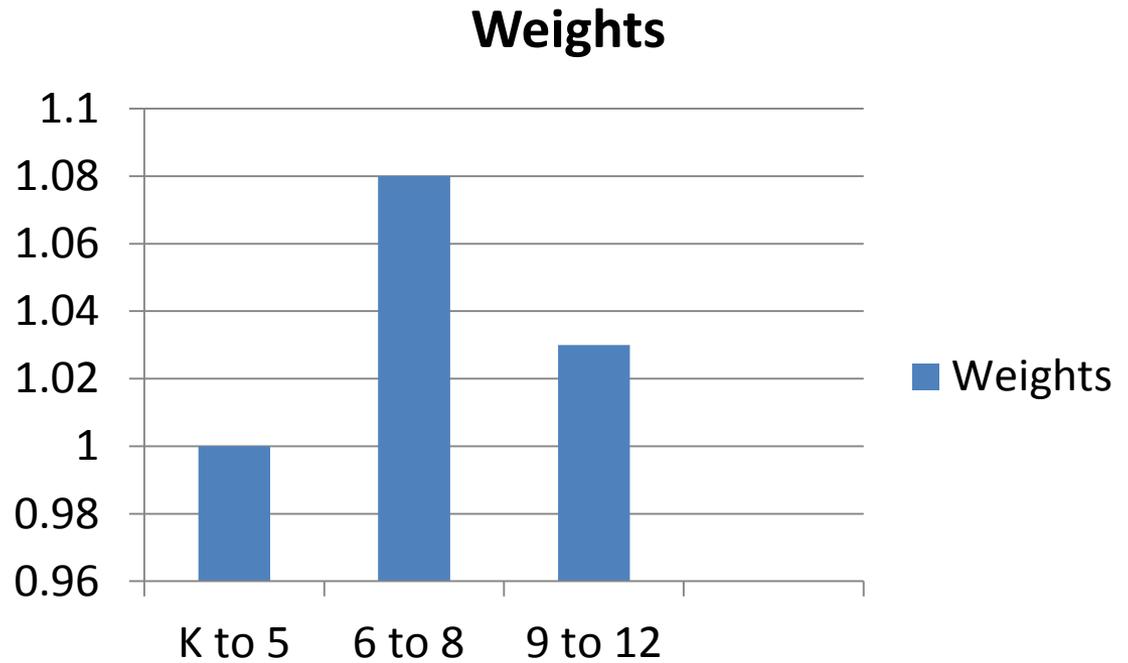
Poverty Trend: Increasing
Predicted Growth: 1 million more students by 2030

8/13/15 Working Group Questions

1. Are there studies regarding weights associated with Elementary vs. High School? What are the costs- is our weight at high school sufficient?
2. What do other states do to fund special education students?
3. How many LEAS went out for overrides in 2014-15, what percentage of districts and what were the totals?

Elementary vs. High School Weights New York

- K to 5 (1.00)
- 6 to 8 (1.08)
- 9 to 12 (1.03)



Source: New York City Department of Education 1/15/13

http://schools.nyc.gov/offices/d_chanc_oper/budget/dbor/allocationmemo/fy12_13/FY13_PDF/FSF_Guide.pdf

Grade Level Weights Rationale- New York

Every student receives a grade weight determined by his or her grade level:

- **Elementary school students** weight is set at the primary weight of 1.00, and it serves as the starting point for the calculation of all of the subsequent Fair Student Funding weights.
- **Middle school students** carry the largest weights due to their high drop-offs in student achievement, as well as higher teacher-cost factors.
 - The percentage of students at or above grade level on the 2011 State ELA and Math exams was almost 22 percent lower for 8th graders than for 5th graders (44% dual subject passage rate for 8th graders vs. 56% dual subject passage rate for 5th graders)
 - As middle schools program by subject area, 1.4 middle school teachers are needed to cover each class, compared to 1.2 for elementary school classes
- **Students in grades 9–12** are weighted at a slightly higher level than grades K–5 for several reasons:
 - Older students tend to have higher costs for non-personnel (such as more costly science materials);
 - They often take electives that break into smaller classes; and
 - Their schools often require more administrative personnel
 - This approach is consistent with our historic funding practices and with practices in other cities.

Grade Level Weights Rationale- Arizona

- High School students are weighted higher than elementary or middle school students due to:
 - Size
 - Larger enrollment requires more administrative staff to maintain school safety
 - Facilities
 - Sports
 - Instructional settings associated with core and elective courses, i.e., science labs, arts, etc.
 - Curriculum Options have an impact on staffing and therefore have potentially higher talent costs
 - AP
 - Electives
 - Smaller class sizes (due to electives and advanced classes)

Arizona's Instructional Hours

- (A.R.S.) §15-901(A)(2) sets instructional hours
- Instructional time varies by grade level and AOI
 - Middle school students are required by statute to attend more minutes of instruction than any other grade level

Grade Level	INSTRUCTIONAL HOURS PER YEAR		
	FY2010 AND PREVIOUS FISCAL YEARS	FY2011 AND FISCAL YEARS THEREAFTER	AOI* FY2011 AND FISCAL YEARS THEREAFTER
Kindergarten	356	356	346
1, 2 and 3	712	712	712
4, 5 and 6	890	890	890
7 and 8	1,068	1,000	1,068
9, 10, 11 and 12	720	720	900

Special Education Resources

- State funding mechanisms for students with disabilities. (Study)
 - 50 state reports on funding students with disabilities
 - This database contains information about states' primary funding mechanisms for students with disabilities.
 - It includes an interactive map, with each state's choice of funding: formula, categorical or reimbursement funding. From the database, you can generate profiles of states' funding mechanisms and view 50-state reports by data point.
- The Progress of Education Reform: A look at funding for students with disabilities. (Study)
 - This issue of ECS' Progress of Education Reform outlines some facts -- and myths -- surrounding the federal Individual with Disabilities Education Act (IDEA) and how its passage has made state policymakers think differently about how they fund their public schools.

English Language Learner Resources

- State funding mechanisms for English Language Learners. (Study)
 - As demographics of the nation's schools continue to shift, state-level policy surrounding English language learners (ELLs) becomes increasingly important.
 - Information regarding the various methods of funding of ELL students can be confusing and difficult to locate.
 - This report provides a clear and detailed description of the ways states finance ELLs and allows policymakers to evaluate their own funding models against those from other states.

Five-Year Average Bonds/Overrides

- Bonds (2009-2014):
 - 13 Bond Elections
 - 78% pass rate
- Overrides (2009-2014):
 - 42 Override Elections
 - 47% pass rate



Adjourn



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