



AUGENBLICK,
PALAICH AND
ASSOCIATES

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

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Presentation to the Stakeholder Advisory Group
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Today's Presentation

- Introduce the study team
- History of adequacy studies
- Study overview
- Our study plan
- Deliverables timeline
- Next steps
- Q & A

The Study Team

- Augenblick, Palaich and Associates: Lead contractor. Denver based education finance and policy consulting firm
 - Established in 1983
 - Has worked in all 50 states
 - Leading practitioner of successful schools and professional judgment adequacy approaches
 - Conducted study for Thornton Commission in 2000-01
- Picus, Odden & Associates: independent school finance consulting group
 - Principals combine for more than 70 years of finance experience
 - Developed evidence-based adequacy approach
 - Evidence-based approach is basis of finance systems in Arkansas, Wyoming, North Dakota, and Ohio

The Study Team

- **Maryland Equity Project:** An independent, non-partisan research and policy center located in the College of Education at the University of Maryland
 - Draws on faculty and staff expertise to improve education through research and policy analysis
 - Works to increase the impact of research on education policy in the state
- **Humann Consulting:** Extensive experience in the planning and management of school facilities. Has worked with numerous states and districts on facilities issues.
 - Was the Executive Director of School Facilities for Colorado's second largest district
 - Has worked on school facilities planning and finance issues since 1994

Adequacy Studies

- Adequacy Studies were developed nearly 20 years ago to examine the resources necessary for districts, schools, and students to meet state educational standards
- Need for studies driven by high-stakes standards/assessment movement – if students, teachers and schools expected to meet certain performance criteria, then state has obligation to provide adequate resources to do the job

Adequacy Studies

- A number of processes have been refined over that time that examine and estimate these resource needs
 - How much do currently high performing schools spend?
 - What programs/strategies do practitioners believe to be necessary and what are the costs?
 - What does the research show to be effective and what are the costs?
 - What costs do statistical models predict to be necessary?
- A number of states, including Maryland, use the results of these studies to determine the level at which they fund schools

Overview of Study

- MSDE has asked for a thorough and comprehensive study of Maryland's school finance system. Major study components consist of:
 - An adequacy study that uses at least 2 different approaches plus associated studies
 - A school size study
 - An evaluation of the cost to state aid formulas of the federal Community Eligibility Provision/determining alternative proxies for identifying low income students
 - An equity study and evaluation of alternative measures of local wealth for state aid purposes
 - An evaluation of the impact of increasing/declining enrollments on school districts

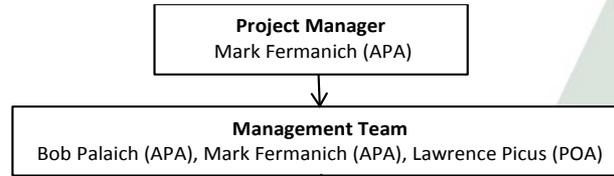
Overview of Study

- An evaluation of the Supplemental Grant program and assess ongoing role/need
- An evaluation of the current Maryland Geographic Cost of Education Index and develop recommendations for changes or new methodology

Overview of Study

- Our response is organized along 3 tracks:
 - Preliminary studies
 - Adequacy studies
 - Other required studies

Study Plan Overview



Preliminary Studies	Adequacy and Associated Studies	School Size Study	Other Requested Studies
Review of State Adequacy Studies (3.2.1.10; P. 345) Anabel Aportela (POA)	Evidence-Based Approach (3.2.1.1-3.2.1.4; P. 352) Allan Odden and Lawrence Picus (POA)	School Size Study (3.2.2; P. 363) Cheryl Humann (for APA)	FRPM as Proxy for Economically Disadvantaged Count/Community Eligibility Provision (3.2.3.1.1; P. 368) Robert Croninger and Jennifer King Rice (MEP)
Case Studies of Improving Schools (3.2.1.1, 3.2.1.3-3.2.1.8, and 3.2.2; P. 346) Gail Sunderman and Robert Croninger (MEP)	Successful Schools Approach (3.2.1.1-3.2.1.4; P. 358) Mark Fermanich and Justin Silverstein (APA)		Prekindergarten Services Study (3.2.3.2; P. 371) Bob Palaich (APA)
Literature Reviews (3.2.1.1, 3.2.1.3-3.2.1.4, 3.2.2, and 3.2.3.1.1; P. 349) Mark Fermanich (APA)	Professional Judgment Approach (3.2.1.1-3.2.1.4; P. 361) Justin Silverstein (APA)		Equity and Local Wealth Measures Study (3.2.3.3; P. 374) Lawrence Picus and Michael Goetz (POA)
	Analysis of Concentrations of Poverty on Adequacy Targets (3.2.1.5; P. 343) Mark Fermanich (APA), Gail Sunderman (MEP)		Increasing/Declining Enrollments Study (3.2.3.4; P. 374) Bob Palaich (APA) and William Hartman (for APA)
	Gaps in Growth and Achievement Among Student Groups (3.2.1.6; P. 343) Mark Fermanich and Justin Silverstein (APA)		Supplemental Grants Evaluation (3.2.3.5; P. 375) Robert Reichardt (APA)
	Correlation of Deficits in Student Performance and Funding (3.2.1.7; P. 344) Mark Fermanich and Justin Silverstein (APA)		Regional Cost of Education Indices (3.2.3.6; P. 377) Jennifer Imazeki (for POA)

Preliminary Studies: Review of Past Studies

- Review of best practices from past adequacy studies:
 - Summarize and synthesize the key elements of state adequacy studies conducted over the past decade
 - Focus on adequacy method used, level of base funding and weights (or dollars per pupil) for students from poverty, LEP and special education backgrounds
 - Lists the institution for which adequacy study was conducted and, if feasible, its impact on state policy

Preliminary Studies: Lit Review

- Systematic literature reviews to support multiple studies
 - Update of the literature base on effective practices used to guide professional judgment panel process- provide starting point;
 - The study of the effects of concentrations of poverty on the adequacy funding targets;
 - The school size study;
 - The study of alternative proxies for identifying economically disadvantaged students;
 - The evaluation of prekindergarten programs and the potential impact of universal access; and
 - The study of the impact of increasing and declining enrollments on local school systems

Preliminary Studies: Case Studies

- School level case studies
 - Identify high performing schools that are 1) overall high performing; 2) produced large improvements; 3) reduced achievement gaps; or 4) improved outcomes of special needs students. All schools that meet criteria will be identified and a total of 10-12 schools will be visited
 - Conduct site visits, interview staff using structured questionnaires
 - Provide in-depth description of effective strategies and programs and use this information to inform adequacy and other studies

Preliminary Studies: Case Studies

- The in-depth information from case studies includes:
 - Specifics of the state and local standards and performance goals schools striving to achieve
 - How these schools may use staff and instructional time differently to achieve higher performance
 - Descriptions of specific strategies, approaches and curriculum and how these may differ across school contexts
 - The assessments used and how they help to inform and guide instruction
 - Interventions used for supporting struggling students

Preliminary Studies: Case Studies

- Case studies inform other study components by:
 - Supporting selection of successful schools (for successful schools adequacy study)
 - Providing examples of effective approaches within Maryland context to support and inform findings from professional judgment and evidence-base adequacy studies
 - Providing examples of effective approaches to providing smaller learning environments
 - Providing specific examples of strategies that reduce achievement gaps
 - Providing specific examples of the linkages between concentrations of poverty and program costs and between school performance and spending

Adequacy Studies

- Will use 3 different approaches
 - Successful schools approach
 - Evidence-based approach
 - Professional judgment approach

Adequacy Studies

- Successful schools approach
 - Will identify successful schools using criteria similar to case study selection process, all identified schools will be analyzed
 - Use MSA data for main analysis, review results when PARCC becomes available in 2015
 - Because of few school districts, will be conducted at school level – will require spending survey of schools
 - Used to identify per student base funding amount

Adequacy Studies

- Evidence-based approach
 - Use results of research, best practices, and case studies to identify elements of prototypical schools at each level (Elementary, MS, HS) and district central office functions
 - Convene 2-4 panels to review prototypes and recommend adjustments for Maryland standards and context
 - Identifies base cost amount and student weights

Adequacy Studies

- Professional judgment approach
 - Assemble 5 progressive levels of panels to identify the resources needed in schools and districts in MD
 - 3-4 school level panels
 - 1-2 special needs panels
 - 1-2 district central office panels
 - 1 district chief financial officer panel
 - 1 final state wide panel
 - Will work with MSDE, Advisory group to identify and recruit participants
 - Identifies base cost and student weights

Adequacy Studies

- Supporting studies
 - Analyze effect of concentrations of poverty on adequacy targets – lit review, case studies and adequacy studies
 - Identify gaps in growth and achievement among student groups – analyze state/district level disaggregated MSA assessment results, case studies, inform weight determination
 - Analysis of correlation of student performance and education funding – analyze relationship between district/school expenditure data and disaggregated MSA results, case studies, adequacy study results

Adequacy Studies

- Impact of quality prekindergarten on school readiness as factor in adequacy study – preliminary findings of adequacy studies and PreK study, case studies, lit review
- Other factors identified by contactor – to be determined
- Synthesize adequacy study findings – compare base cost and student weight estimates from multiple approaches, develop recommendation on final figures

School Size Study

- Multiple components
 - Summarize current district policies on school sizes. Interviews with district facilities directors, document review
 - Review state's role in establishing school size policies
 - Summarize school size policies in other states – review of websites and state policy documents and reports
 - Conduct literature review on the instructional and extracurricular influences on school size, incorporate district policy review

School Size Study

- Literature review and analysis of Council of Education Facilities Planners International and Council of Great City Schools policies and reports related to other factors influencing school size
- Identify models for creating smaller schools – same approach as above
- Determine capital and operating fiscal impact of smaller schools – analyze state and district capital spending and construction needs, district and school operating budgets and budget policies
- Identify costs and impacts of zoning requirements – review of municipal and county zoning regulations

School Size Study

- Effect of school boundaries and attendance areas on school size – GIS analysis, interviews with district facilities directors
- Literature reviews to summarize current research on educational issues surrounding school size, impact of size on achievement
- Literature review for identifying best practices for involving public in establishing school size standards or guidelines
- Literature review and case studies for identifying alternative approaches for creating space for smaller schools, e.g. renovations, alternative school designs
- Recommendations on ideal school sizes

Free and Reduced Meals (FARM) Proxies

- Research proxies for identifying low income students
 - Literature review
 - Review other states' policies and practices
 - Review of available data in Maryland
- Estimate cost to school finance formulas of Community Eligibility Provision (CEP)
 - Identify schools already implementing CEP
 - Identify schools eligible for CEP
 - Estimate impact of state formula costs, research cost impacts in other states, conduct sensitivity analysis
 - Project future direct and indirect costs based on projections of FARM enrollments in MD

Prekindergarten Service/Funding Study

- Assess current services, quality, funding and capacity in state, and distribution across state
- Make interstate comparisons to peer states
- Estimate costs of service expansion at different quality levels
- Estimate the ROI of providing universal prek access at different service quality levels
- Develop recommendations

Equity and Local Wealth Measures Study

- Conduct school finance equity study to determine status of horizontal & vertical equity and fiscal neutrality in state
 - Include measures of property and income wealth currently used in state finance formulas
- Review literature and other state's policies on wealth measurement
- Develop conclusions and recommendations

Increasing/Decreasing Enrollment Study

- Analyze enrollment trends and relationship to operating, transportation and capital revenues and expenditures over 10 years
- Identify key factors influencing transportation costs
- Review literature and other state's policies on fiscal effects of changing enrollment
- Develop conclusions and recommendations, including potential adjustments in state transportation funding formulas to incentivize efficiencies

Evaluation of Supplemental Grants

- Review state policies, fiscal reports, and other administrative records related to grant program
- Interview state and district policymakers/administrators on rationale and impacts of grant funding
- Review preliminary adequacy findings to determine future need for grants
- Develop conclusions and recommendations

Maryland Geographic Cost of Education Index

- Update index based on current methodology
- Review current index methodology and funding impacts
- Proposed changes to the index and model fiscal impacts
- Develop conclusions and recommendations

Deliverables Timeline

- Monthly progress reports
- Quarterly progress meetings
- Multiple, regular Stakeholder Advisory Group meetings
- Report Summary of State of the Art in Measuring Adequacy and Data Availability: 8/31/2014
- Report Summary of School Size: 8/31/2014
- Preliminary Report - Impact of Smaller Schools: 11/30/2014
- Preliminary Report - Proposed Methodology for Establishing Adequate Funding Levels: 11/30/2014
- Final Report School Size: 6/30/2015

Deliverables Timeline

- Final Report Analysis of Supplemental Grants: 6/30/2015
- Final Report Analysis of Impact of Concentrations of Poverty: 6/30/2015
- Final Report Proxy for Economically Disadvantaged Students: 6/30/2015
- Final Report Evaluation of Impact of Increasing and Declining Enrollment: 6/30/2015
- Interim Report on Adequacy Cost Study: 6/30/2015
- Final Report Evaluation of Wealth Calculation: 9/30/2015
- Preliminary Report – Review of Maryland Geographic Cost of Education Index Methodology: 9/30/2015

Deliverables Timeline

- Final Report – Update of Geographic Cost of Education Index: 6/30/2016
- Draft Final Report – Adequacy Study Base Funding and Weights: 9/30/2015
- Final Report – Adequacy Study: 10/31/2016

Next Steps

- General
 - Data collection
 - Finalize Stakeholders Advisory Group meeting schedule
 - Complete adequacy study review and summary school size reports
 - Analyze MSA data for selection Case Study and Successful School Study schools
 - Develop case study protocols
 - Begin literature reviews

Next Steps

- Begin identifying Professional Judgment panel participants
- Develop school prototypes for Evidence-based study
- Begin equity study



Questions?