

HOW HAVE OTHER STATES USED COSTING-OUT / ADEQUACY STUDIES TO MOVE TOWARD FUNDING REFORM?

Pennsylvania recently conducted its first costing-out/adequacy study. The study was commissioned and funded by the General Assembly in 2006 and performed under the supervision of the State Board of Education. The study results were released in November 2007. For information – http://www.pde.state.pa.us/stateboard_ed/site/default.asp?g=0.

Thirty-eight other states have previously conducted costing-out/adequacy studies. We can learn from what they have done.

How have costing-out/adequacy studies come about in other states?

Some states have been forced to conduct costing-out studies after the courts declared their funding systems unconstitutional. Other states' studies have been initiated by the state legislature. Pennsylvania's study is not the result of a court order; it was authorized by the General Assembly. Private organizations or institutions can also conduct a costing-out study, but this requires significant expense and the legislature may not accept the results.

How do states carry out their costing-out/adequacy studies?

Each state's study is unique, but there are two main methods for carrying out these studies – the Successful Schools approach and the Professional Judgment method. The Successful Schools approach involves computing the average cost of educating students at schools with the highest achievement. The average cost is then used as a foundation level for all schools. The Professional Judgment method determines the cost of a quality education based on input from panels of education experts, such as parents, teachers, principals, superintendents, school business officials, and others. Some states have selected one of these methods. Others, such as Pennsylvania, have had success using a combination of both.

What changes have costing-out/adequacy studies led to in other states?

Some states have used the results of a costing-out study to adopt major increases in education spending. Other states have made fundamental reforms to their state funding systems and formulas. In general, study results have been most influential when state officials felt public pressure to act. Without such pressure, costing-out studies may not lead to many changes. Pennsylvania must use its recent study results to reform the broken and ineffective state system for funding public education.

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What do states do after they publish the results of their studies?

When a costing-out study is done in a professional and informed manner, the results can be helpful in many ways. The process of doing the study itself can help to raise public awareness. Increased awareness can lead to greater parent involvement in local schools, as well as new expectations for further state action. Many states have created an independent commission to examine the study results and develop proposals for reform legislation. Some states, like Ohio and Wyoming, have conducted additional studies after the first one to continue changing their funding systems over time. At this time, Pennsylvania's Governor and General Assembly have not committed to making fundamental reforms in the education funding system.

Case Studies

New York. In 2003 NY's highest court declared the state's funding system unconstitutional. The court ordered the state to conduct a costing-out study to determine the actual cost of a high quality education for its students.

The year-long New York Adequacy Study was one of the most comprehensive ever done. It used Professional Judgment panels to determine educational costs based on the expertise of people in the field. These panels were comprised of teachers, principals, superintendents, school business officials, and other educators from a variety of NY districts.

These panels developed a list of everything schools must provide their students in order to give them a fair chance at meeting the state's Regents learning standards. They also determined that schools would need additional funding if they were affected by certain variables, including large numbers of children in poverty, students with disabilities, and English language learners.

Overall, the results of the study indicated that implementing these changes would require an additional \$6.7 - 9 billion for all 517 districts.

Maryland. Unlike NY's study, which was court-ordered, MD's was initiated by the state legislature. In 1999, the MD legislature created a bi-partisan Commission on Education Finance, Equity, and Excellence (the "Thornton Commission") to conduct a costing-out/adequacy study over the next few years.

As a result of the study, which used both the Successful Schools approach and the Professional Judgment method, the Thornton Commission recommended that the state restructure its funding system and increase its share of education funding from 41% to 49%. The Commission also encouraged the state to provide more funding to schools with high numbers of students who are English language learners, in special education, or from poor families.

The MD study is unique because the Commission was able to put its proposal to the legislature for an "up or down" vote. In other words, legislators had to decide immediately whether or not to take action on the recommendations. In April 2002, the MD legislature passed a bill to adopt the Commission's reforms with only slight changes and raised the state cigarette tax to help collect more state revenue for education.