

Appendix 1

How Much is Enough?

How much does it cost for a school to teach every child to be proficient in reading, writing, math, science and the other subjects that schools are required to teach? It's a question that should concern everyone – regardless of political persuasion.

Unfortunately, however, Pennsylvania is not among the 31 states that have made any official attempt to answer the question. A few Pennsylvania legislators have estimated how much money would be enough to educate all children, as did a project at the University of Pennsylvania. But none of these “adequacy” or “costing out” studies was ever endorsed by the governor or the legislature.

There are several ways to answer the “how much” question, and different approaches give different results. Even so, most states have taken the view that some answer (or a compromise if there is more than one answer) is better than no answer at all. Typically, these states have used one of two kinds of approaches – “successful schools” and “professional judgment.”

The Successful Schools Approach

One way to estimate the cost of success in all schools is to figure out the cost of schools that are already successful. That's what this approach does. We used one version of this approach in an earlier section of this report.

The successful schools approach begins with a definition of “success.” In some states, success is a mixed measure of student achievement and conditions such as student-to-teacher ratios. Others have defined success on the basis of student achievement alone. Others use a percentage of their top-performing schools – for example, the top 10 percent – and then average their costs.

Often these definitions are directly related to the state's official learning standards. States also are beginning to define success in terms of the federal No Child Left Behind law. This law requires schools, as a condition of getting federal money, to increase the percentage of students who are proficient in reading, writing, math and science until, in 2014, all children must achieve proficiency.

Once there is agreement on a definition of "success," the rest is largely by the numbers. Officials identify "successful" school districts and average their costs. This average becomes the cost of success, usually a dollar amount per student. This amount is then adjusted for each school district to reflect the economics of the community and the demographics of the students. School districts with many poor families and a weak tax base have higher costs of success, as do districts with large numbers of special education students and students whose native language is not English.

The strength of this approach is that it's grounded in reality. It uses real information about the costs at real schools that are successful. The weakness is that it doesn't factor out the costs of things that may be good to have but are not absolutely necessary to achieve success according to state standards.

States that have used the successful schools approach include Ohio, which has done four costing-out studies in the past 12 years, including a study of the additional cost to meet the mandates of No Child Left Behind. For a detailed description of the Ohio studies, visit www.schoolfunding.info/states/oh/cofactsheets.php3.

The Professional Judgment Approach

This approach typically uses a two-part process that combines the expertise of educators and economists to arrive at a cost of success.

In the first step, teams of educators from all kinds of schools use their professional judgment to create

“prototype” schools. This includes every aspect of schools – the equipment and supplies needed in every classroom from kindergarten through high school science labs and vocational programs; support staff such as guidance counselors and cafeteria staff; libraries; student-teacher ratios; computers; and so forth.

Once this is done, teams of economists or school finance experts put a price tag on the prototype schools that educators have created. Often this involves considerable back-and-forth between economists and educators to ensure that any estimate is based only on the essentials for success rather than things that would be good to have but may not be truly necessary.

The strength of this approach is that it uses the expertise of both educators and economists to work out a cost without being tied to actual schools that may include unnecessary spending. One weakness is that it cannot use student achievement data as a factor because it uses prototype schools rather than real schools. Another is that it relies heavily on “educated guesses” about what prototype schools should be like.

In Pennsylvania, Prof. Ted Hershberg at the University of Pennsylvania led a year-long study of school funding in which he used the professional judgment approach to arrive at a “foundation budget.” For more about this study, visit the Operation Public Education web site at www.cgp.upenn.edu/ope/fbudget.html.

Other states that have used the professional judgment approach include Oregon. There the Speaker of the House and the governor endorsed a costing-out study using the professional judgment approach. But Oregon does not rely on a one-time study. The commission that produced the original report is now charged to issue reports every two years. Those reports examine whether current practices are getting closer to best practices and whether school funding is adequate. For a description and a link to the full report, visit www.schoolfunding.info/states/or/costingout_or.php3.

A Combination Approach

In 2001, Maryland's governor and legislature authorized a commission to put a price on success in public education. The Commission used both the successful schools and professional judgment approaches. The following year, as a result of the study, the Maryland legislature enacted a six-year plan to increase state funding for its public schools by \$1.3 billion per year.

The Maryland experience is summarized at www.schoolfunding.info/states/md/lit_md.php3#mdco.