

## **CSFP ADEQUACY STUDY**

### **K-12 Funding Analysis for Colorado**

#### **The School Adequacy Study**

Colorado School Finance Project (CSFP) hired Augenblick Palich and Associates (APA) to complete a school adequacy funding study to determine *the funding level needed for school districts to meet state and federal requirements and expectations for student performance and school accountability*. It builds on APA's initial work in 2003.

Completed in September 2006, the School Funding Adequacy Study is a systematic analysis utilizing different approaches that rely on data instead of anecdotal information. The standards used are a reflection of legislation at the state and federal level.

In other states, these studies have been commissioned by legislatures, state boards of education or a commission from the Governor's office. In Colorado, CSFP sponsored the study.

This study does not tell the state or districts how to deliver services or organize schools. It honors and promotes the local decisions and indicates resources needed to accomplish the end results.

#### **The Rise of Standards**

States and the federal government have pursued a standards-based reform to improve education, legislating specific expectations of student knowledge and performance, and creating statewide assessment procedures to measure school district and school performance. Lawmakers have designed accountability systems to inform the public of a districts' progress and to provide justification for intervention if school districts and schools do not meet standards.

While Colorado has created a strong accountability system and increased student achievement expectations and standards, it has not been clear whether the state has given school districts the resources to fund the educational services required to meet those standards. CSFP wanted to know if school funding is, indeed, adequate.

#### **Research Approaches**

CSFP utilized multiple research approaches in this study—Professional Judgment, Successful School District and Evidence-Based—to calculate a “base cost” figure. This “base cost” reflects the cost of educating a student without special needs attending a school in a district that faces no uncontrollable cost pressures.

#### **“Base Cost” Analysis**

A “base cost” is used as a “foundation program” to allocate basic support to school districts. An adequate foundation program would incorporate a rational basis for setting the foundation level

In Successful School Districts, base cost applies to school districts that are currently on track of meeting the NCLB requirements today, with no consideration given to students

## Colorado School Finance Project

1200 Grant Street – Denver, CO 80203

303-860-9136 – 303-832-1086 (fax) – CSchFinProject@aol.com

identified as special needs. Base cost in Professional Judgment approach reflects what programs are needed to meet the expectations in the future so as to meet 100% proficiency goals. Items like preschool for at-risk students, all-day kindergarten, summer school programs, quality before- and after-school programs, yearly staff development, and technology with a replacement cycle are included.

In Colorado, a base cost must reflect the multiple accountability systems that each require separate assessments of progress and varying sanctions. The base cost that this study reflects is based on the most current financial data, for 2004-2005.

### **Special Needs Adjustments**

CSFP was able to estimate the additional cost adjustments needed to serve students with special needs, students at risk of failure, English Language Learners (ELL), as well as to run small school districts. Colorado is one of two states that have conducted special needs panels as a separate component of the Professional Judgment approach.

### **Other Considered Costs**

Other areas that this study addressed were the costs associated with choice, AP or IB programs, compensation systems and issues, on-line, voc-ed, extracurricular activities. Therefore some of the other policy work CSFP is doing will address these issues, which all become important components when modeling a new school finance formula.

### **Costs Not Included**

It is important to note that this analysis does not include facilities, transportation and food services. Other types of analysis need to be completed for these issues.

### **Next Steps**

APA will model a new school finance formula based on all the data collected, after determining an appropriate cost of living and Consumer Price Index (CPI) factor.

CSFP will begin modeling a variety of scenarios for a school finance act, linking performance expectations and resources needed to accomplish expectations with an appropriate state funding allocation system to school districts.