

**Executive Summary**

**THE RELATIONSHIP BETWEEN ALLOCATION OF FINANCES,  
AMOUNT OF FINANCES AND STUDENT ACHIEVEMENT**

*Colorado School Finance Project and Augenblick, Palaich and Associates Study*

**Background:** A spring 2008 study funded by the Colorado School Finance Project (CSFP) found close links between funding specific, systemic student education initiatives and increased student achievement.

The report, performed by nationally known school finance consultants, Augenblick, Palaich and Associates 1) examined research on specific education programs that have a positive impact on student performance; 2) examined research of states that increased school revenues to affect student performance, and; 3) conducted research of state-level data to determine the relationship between spending and performance.

**Goal:** The goal of the report is to help inform parents, taxpayers, school board members and others as to the importance of education funding to improving student performance.

**Study Results**

After researching data from across the country, some clear overarching themes emerged.

**1) Some high-quality, sustainable programs/interventions increase student achievement.**

- **Counselors**—Show a direct positive result in improving student achievement in K-12 students; especially in early-grade interventions.
- **Preschool and Full-day Kindergarten**—High-quality consistent programs show long-term academic benefits for all student populations.
- **Professional Development**—Ongoing professional development for teachers can lead to both better instruction and improved student learning.
- **Small Class Size**—Classes of 13 to 17 students, taught by a licensed teacher, produces higher performance especially for low-income students.
- **Summer school**—Consistent, high-quality summer offerings focused on math and reading positively impacted student achievement.
- **Teacher Pay**—Higher teacher pay is linked to increased student performance.

***Other indicators of performance:***

The impact of greater investment in **Career and Technical Education (CTE)** and **Technology** was mixed and may need to be studied further. However, the students in CTE programs did obtain higher earning jobs immediately after high school compared to students not enrolled in these programs. The few studies on the effect of technology in the classroom do show technology increases student engagement, most promising for low achieving and at-risk students, decreases learning time and increases information retention.

**2) States that increased funding for education have seen measurable increases in student achievement. Two examples:**

- **Kentucky**—Increased education spending between 1990 and 2005 by 5.3% over inflation and student growth. The funds were spent on preschool, extended school services, technology, family resources and professional development. National Assessment of Educational Progress (NAEP) results showed 4 of 5 areas of performance were higher than the national average.
- **Maryland**—For the past five years, spending increased to 4.3% above inflation and student growth. Funding was spent on increasing teacher salaries, additional employees, early childhood education, professional development, behavior modification programs and graduation enhancement programs. Results showed large reductions in reading gaps from 2002 to 2007.

**3) Colorado spends less on education than states with comparable demographics and compared to the United States as a whole.**

- Compared to states similar in demographic makeup as Colorado, Colorado spends 10.8% below the national average for education—\$5,947. Seven states with comparable demographics (including Massachusetts and Nebraska) spend between \$6,524 to \$9,663 per pupil.
- Colorado spends 74.8% of the national average on tax efforts for education; 48<sup>th</sup> in the nation.
- Colorado falls below the national average and average of comparable states for instructional staff salaries.