Financing the Cost of a Sound Basic Education

Presentation to the Governor's Commission on a Sound Basic Education

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WestEd's Mission

WestEd is a ***nonprofit, nonpartisan research, development, and service agency*** that works with education and other communities to *promote excellence, achieve equity, and improve learning for children, youth, and adults.*

Today's Objectives

- Develop collective understanding of cost modeling
- Discuss goals of providing a "sound basic education"

Agenda

- Background
- Costing Out Methodologies
- Discussion

Background

State Constitution

"The General Assembly shall provide by taxation and otherwise for a general and uniform system of free public schools, which shall be maintained at least nine months in every year, and wherein **equal opportunities shall be provided for all students**." N.C. Const. Art. IX, § 2(1).

1997 Supreme Court Ruling

"Every child in North Carolina has a constitutionally-enforceable right to an **opportunity for a sound basic education** in a public school."

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Defining a Sound Basic Education (1997 Ruling)

A sound basic education must provide each student with at least a:

- Sufficient ***ability to read, write, and speak the English language and a sufficient knowledge of fundamental mathematics and physical science*** to enable the student to function in a complex and rapidly changing society;
- Sufficient ***fundamental knowledge of geography, history, and basic economic and political systems to enable the student to make informed choices*** with regard to issues that affect the student personally or affect the student's community, state, and nation;
- Sufficient ***academic and vocational skills to enable the student to successfully engage in post-secondary education or vocational training***; and
- Sufficient ***academic and vocational skills to enable the student to compete on an equal basis*** with others in further formal education or gainful employment in contemporary society.

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Leandro Tenets (2004 Ruling)

An opportunity for a sound basic education requires at a minimum:

- That every classroom be staffed with a **competent, certified, well-trained teacher** who is teaching the standard course of student by implementing effective educational methods that provide differentiated, individualized instruction, assessment and remediation to the students in that classroom.
- That every school be led by a **well-trained competent principal** with the leadership skills and the ability to hire and retain competent, certified and well-trained teachers who can implement an effective and cost-effective instructional program that meets the needs of at-risk children so that they can have the equal opportunity to obtain a sound basic education by achieving grade level or above academic performance.
- That every school be provided, in the most cost effective manner, the **resources necessary** to support the effective instructional program within that school so that the educational needs of all children, including at-risk children, to have the equal opportunity **to obtain a sound basic education**, can be met.

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Answering the Resource Question

What are the resources needed (and associated costs) to ensure that all students in North Carolina have a sound basic education?

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Costing Out Methodologies

Spending Variation

Why Does Spending Differ?

Outcomes	Costs	Efficiency
Considers the different outcomes of the system relative to the make-up of the student population and services provided.	Considers the *costs* associated with: • student needs, • input prices, and • economies of scale.	Considers how schools and school districts differ in their output (student outcomes) relative to the amount of funding available.

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Methods to Costing

Input-Based: Sum up the costs associated with building a prototype school	Output-Based: Estimates costs based on observed relationships between: (1) spending, (2) student performance, and (3) other characteristics
Professional Judgment Method • Convene focus groups of local practitioners to design prototype schools that meet performance goals. • Calculate the cost of the prototype in various locations.	**Education Cost Function Method** • Cost and performance data to estimate the relationship between expenditures and school outcomes, resource prices, student needs and other factors. • Predicts the cost of achieving outcomes.
Evidence-Based Method • Resource needs derived from "proven effective" school reform models.	**Successful Schools Method** • Data on student performance identifies schools that meet a designated standard. • The cost is the average level of spending among those "successful schools".

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Input-Based Considerations

	Considerations
Both methods are simple, transparent and straightforward. But, many only be applicable to a handful of prototypical school districts.	
Professional Judgment	• Vulnerable to the **blind spots and biases** of panel members • Frequently cost out performance standards that are **difficult to quantify** and well beyond current levels
Evidence-Based	• **Seldom specify the performance standards** being evaluated • Evidence of practitioners following evidence-based reform is lacking • Identified, proven outcomes may be out of line with system goals.

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Output-Based Considerations

	Considerations
Direct link between education costs and desired outcomes. And, estimates based on what districts actually do. But, method requires high-quality datasets.	
Successful Schools	• Policymakers must designate *measurable* performance standards.
Cost Function Analysis	• Provides a strong empirical foundation for estimates of cost differentials. • Describe relationships within the experience of the data • Statistical models are not transparent and explicitly involve errors of estimation and modeling.

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Discussion

Aligning on the Goal

- The first step for any cost and resource analysis is to determine the desired outcomes for students.
- And in this case, clearly defining what it means to provide a "sound basic education."

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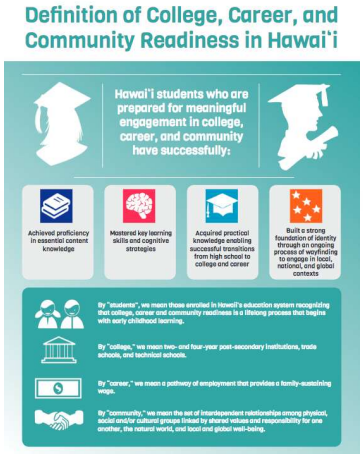
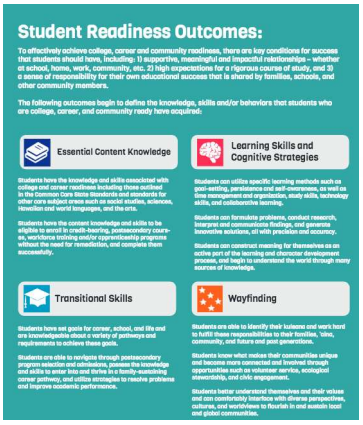
Examples of Goals: Hawaii





http://p20hawaii.org/coretocollege/wp-content/uploads/2015/01/CCCR_Definition_Handout_6.pdf

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Examples of Goals: Achieve

A P-20 CONTINUUM OF ACADEMIC READINESS

I. School Readiness	II. High School Readiness	III. College and Career Readiness (CCR)	IV. Postsecondary Success
a. Kindergarten Readiness	a. Mathematics in Grade 5	a. Cohort Graduation Rate	a. Remediation
b. Reading in Grades K-2	b. Course Failure in Mathematics or English/language arts in grade 6	b. CCR Diploma	b. Early Postsecondary Success
c. Reading in Grade 3	c. Completion of 8th Grade Mathematics or Algebra I with a "C" or Higher by the End of the 8th grade	c. CCR Assessments	c. Postsecondary Completion
d. Mathematics in Grade 3		d. Earning College Credit in High School	
		e. Career Readiness	

https://www.achieve.org/files/StudentReadinessIndicators.pdf

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Attributes of a Future Ready Graduate in NC

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http://region1rttt.ncdpi.wikispaces.net/file/view/FutureReadyGraduate.pdf/400613810/FutureReadyGraduate.pdf

Discussion Question 1

Input-Based Cost | **Output-Based Cost**

What outcomes should North Carolina set for every student to achieve a sound basic education?

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Discussion Question 2

Input-Based Cost | **Output-Based Cost**

What are the measures available to know that each student has been provided a sound basic education?

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Discussion Question 2

Goals for Each Student	Measurement	Data Currently Exists

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Discussion Question 3

Input-Based Cost

Output-Based Cost

What are the different types of resources needed to ensure that each child can meet these goals? How do these inputs differ by student and district?

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Discussion Question 3

Considerations for Differences in Cost/ Economies of Scale	Small Rural District	Large Urban District

Considerations for Differences in Student Needs	Special Education	Gifted	English Learners	Career and Technical Education	Economic Disadvantage	Other At Risk Students

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