

*The Cost of an Adequate
Education in Connecticut:
CCJEF Workgroup #1
Presentation, October 4, 2006*

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Adequacy Cost Study



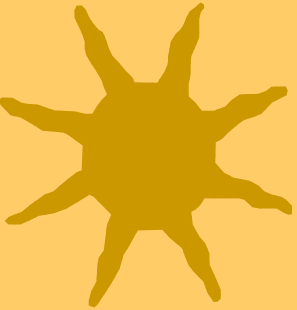
- ★ Late 2004: CCJEF commissioned Augenblick, Palaich and Associates (Denver) to conduct the study
 - Full study released in June 2006, available via pdf, will be posted on updated www.ccjef.org website

- ★ Purpose: Determine the cost of meeting state and federal education standards and performance expectations, both statewide and by district
 - Base cost
 - Adjustments for students' learning needs
 - 3 categories of Special Education (SPED)
 - English Language Learners (ELL/LEP)
 - At-risk/low-income students (free/reduced lunch)





Study Parameters



★ Focuses exclusively on operating costs (no facilities, debt service, adult education, etc.) and does not yet incorporate pupil transportation or interdistrict magnet schools



★ Includes 166 school districts: 106 K-12, 45 K-6/8 districts, and 15 regional districts



★ Considers only costs – not revenues or sources of revenue

★ Not designed to specify how resources should be spent — just to ensure the resources are available



Components of the Cost Study



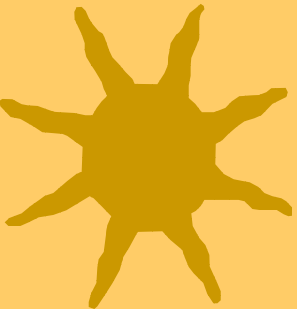
★ Successful School District study

- Statistical review of test performance over past 3 years
- Identified 35 districts that met NCLB's 2007-08 Adequate Yearly Progress (AYP) requirement



★ Professional Judgment study

- Panels of CT educators, majority drawn from Successful School Districts





Successful School Districts



★ K-12 and high school districts:

Avon, Berlin, Brookfield, Cheshire, Darien, East Lyme, Fairfield, Farmington, Glastonbury, Granby, Greenwich, Guilford, Litchfield, Madison, Monroe, New Canaan, Newtown, North Haven, Ridgefield, Simsbury, Somers, South Windsor, Weston, Westport, Wilton, and Regional Districts #10, 13, and 15



★ K-6/K-8 districts:

Chester, Easton, Hebron, Mansfield, New Hartford, Orange, and Redding





Professional Judgment Panelists



★ From these school districts/towns:

- Avon, Berlin, Bridgeport, Cheshire, Danbury, Darien, East Granby, East Haddam, East Lyme, Farmington, Glastonbury, Greenwich, Groton, Hartford, Madison, Meriden, Monroe, New Britain, New Haven, New London, Newtown, Norwalk, Putnam, Simsbury, Somers, South Windsor, Stamford, Thomaston, Waterbury, Weston, Winchester, Windham
- Regional Districts #1 (Canaan, Cornwall, Kent, North Canaan, Salisbury, Sharon), 4 (Chester, Deep River, Essex), and 11 (Chaplin, Hampton, Scotland)

★ Plus: CSDE, CEA, CREC, ACES, CABE, ConnCASE (CAPSS, AFT, CFSA by default)



Adequacy Standards Used in This Study

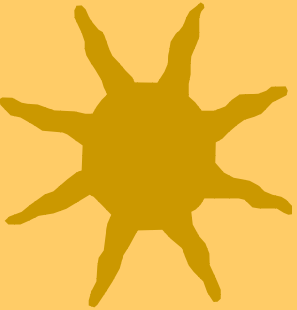


- ★ Resources sufficient to meet the specified student performance standard
 - For “starting point” adequacy (Successful School District study), standard was 79-82% of students scoring at proficient level on CMT and CAPT reading and math tests (the NCLB requirement for 2007-08)
 - For “targeted adequacy” (Professional Judgment study), standard was ~95% of students meeting state goal level on CMT and CAPT reading, math, and writing

- ★ Panelists defined adequacy to include universal preschool, full-day kindergarten, extracurriculars, plus after-school and summer school programs for students who need those extra learning services



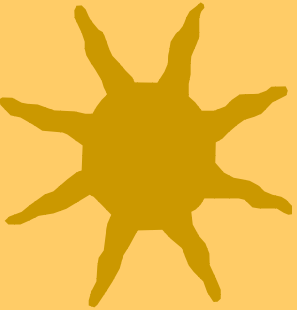
Noteworthy Caveats



- ★ The costs produced by this study are conservative estimates, representative of minimal adequacy
- ★ Costs do not support “dream schools,” just resource levels sufficient for student success in achieving specified state and federal standards and high expectations
- ★ Costs do not include the many “extras” that local communities may value as being essential to schooling excellence; ideally, every district should be funded above the adequacy level



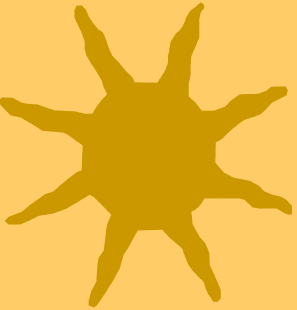
More Caveats About Adequacy Cost Studies in General



- ★ Adequacy cost studies are essential tools for revamping state aid formulas (foundation level and student weights) and aligning formulas with the actual cost of educating students
- ★ Adequacy cost studies produce estimates that are informative, illustrative, and instructional, but are not intended to be determinative
- ★ Few cost studies attempt to definitively link resource levels to student outcomes



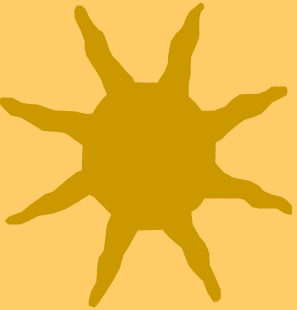
KEY FINDINGS - I



- ★ The estimated cost of providing adequate learning opportunities sufficient for 95% of all CT schoolchildren to achieve state goal, or “targeted adequacy,” as described in the APA study, is \$7.7 billion (in \$2003)
- ★ The estimated cost of all 166 districts meeting NCLB 2007-08 AYP performance levels, or the “adequacy starting point” in the APA study, is \$5.9 billion (in \$2003)



KEY FINDINGS - II



- ★ In 2003-04, 145 school districts (i.e., 87%) spent \$2 billion less than the amount estimated necessary for meeting targeted adequacy. This impacts the education of 543,713 students, or about 95% of public schoolchildren.
- ★ Also in 2003-04, 92 districts (55%) fell short of funding levels found minimally necessary for meeting even the modest 2007-08 NCLB AYP requirements. Thus, 413,502 students, nearly three-quarters of all CT public school students, are already at risk of being “left behind” by inadequate resourcing of their schools.
- ★ Underfunding of the 2003-04 adequacy starting point amounts to just \$481 million (in \$2003), given present levels of state and federal revenues.



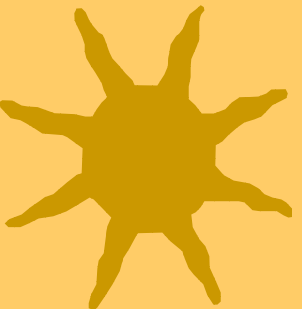
Understanding the Town-by-Town Tables: Examples



- ★ In 2003-04, Newtown (one of CCJEF's highest-wealth member communities) spent \$46.2M on current expenditures, or \$8,370 per resident pupil.
 - For 95% of its students to reach state goal, it would need to have spent at least \$66.9M, or \$12,127 per pupil.
 - For Newtown students to meet 2007-08 NCLB AYP goals, an estimated \$5.4M in additional operating expenditures would be needed, bringing current expenditures to \$9,343 per pupil.
- ★ In 2003-04, Hartford (one of CCJEF's lowest-wealth member communities) spent \$292.3M on current expenditures, or \$12,150 per resident pupil.
 - For 95% of its students to reach state goal, it would need to have spent at least \$412.3M, or \$17,142 per pupil.
 - For Hartford students to meet 2007-08 NCLB AYP goals, an estimated \$25.4M in additional operating expenditures would be needed, bringing current expenditures to \$13,206 per pupil.
- ★ All the above figures are in 2003 dollars.



How Figures Were Arrived At



Base Costs				
	K-8 District	Small K-12 District	Moderate K-12 District	Large K-12 District
Successful School Districts	\$8,635		\$7,716	
Professional Judgment	\$9,414	\$9,223	\$10,388	\$11,639



Professional Judgment Base Costs and SPED Weights



Resulting Base Cost & Added Weights				
	K-6/8 District	Small K-12 District	Moderate K-12 District	Large K-12 District
Base Cost	\$9,414	\$9,223	\$10,388	\$11,639
Special Education				
SPED Mild	\$12,994	\$12,346	\$10,248	\$11,673
SPED Moderate	\$20,441	\$19,463	\$15,994	\$15,102
SPED Severe	\$62,300	\$45,035	\$43,447	\$34,509



Professional Judgment

Weights: ELL and At-Risk

Resulting Base Cost & Added Weights (Continued)

	K-6/8 District	Small K-12 District	Moderate K-12 District	Large K-12 District
ELL	\$1,503	\$7,115	\$7,014	\$7,907
At-risk 10%	\$3,199	\$5,703		
At-risk 20%	\$2,587	\$4,014	\$5,198	\$4,716
At-risk 30%		\$3,509		
At-risk 40%			\$3,999	\$3,936
At-risk 60%			\$3,956	\$3,078
At-risk 80%				\$2,799



Example of How District Costs Were Calculated

(Small K-12) Base Cost = 2,000 resident pupils X \$9,207
base cost per pupil or \$18,414,000 total

Special Education

Mild = 2,000 resident pupils X .08 incident rate X \$9,207 base
per pupil X 1.34 mild SPED weight, or \$1,973,981 added to
total base

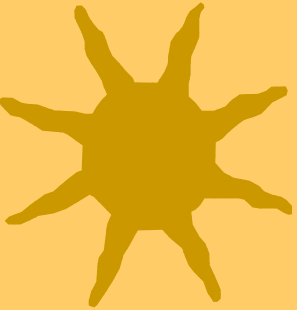
Moderate = 2,000 X .04 incident rate X \$9,207 X 2.11
moderate SPED weight, or \$1,554,142 added to total base

Severe = 2,000 X .01 incident rate X \$9,207 X 4.88 severe
SPED weight, or \$898,603 added to total base

At-risk = 2,000 X .22 free/reduced lunch % X \$9,207 X .461 at-
risk weight, or \$1,867,548 added to total base

ELL = 2,000 X .02 ELL population % X \$9,207 X .76 ELL
weight, or \$279,893 added to total base

Total = \$24,988,167, or \$12,494 per student





Comparison with ECS Formula

★ ECS Foundation:

- Since 1999-2000 (i.e., the last 9 years), the foundation level has been set at \$5,891 per pupil.

★ Base Costs of Adequacy:

- For 95% of students to reach state goal in math and reading, the base cost of adequately educating students ranges from \$9,203-\$10,388 per pupil, depending on district size; **median base = \$9,424**. After weighting for student needs, estimated full adequacy range = \$10,067-\$17,649 per pupil; **median weighted student = \$11,927**.
- To meet the lower NCLB standard for 2007-08 (79-82% of students at proficiency), the base cost range is \$6,800-\$8,900, depending on district size; **median base = \$7,877** per pupil. After weighting for student needs, estimated cost range = \$8,100-\$13,600 per pupil; **median weighted student = \$9,623**.



ECE Estimates in the APA Adequacy Cost Study

- ★ ECE costs integrated into base cost estimates for adequacy — every child, every district
- ★ Cost estimates were informed by study's panelists and the costing work of others (CT, NJ, MA)
- ★ See example below:

	<i>K-6 / K-8 District</i>	<i>Small District</i>	<i>Moderate District</i>	<i>Large District</i>
Resident Students	360	2,065	4,970	14,160
ECE Cost Per K-8 Student	\$746	\$1,406	\$1,760	\$2,477
ECE Cost Spread Across All District Students	\$746	\$650	\$813	\$1,144
Total ECE Cost for District	\$268,560	\$1,342,250	\$4,040,610	\$16,199,040



Operating Costs vs State Revenues (Preliminary Calculations)

★ In 2003-04 (unaudited) without adequacy:

Total Current (Operating) Expenditures = \$5.8B

State Share @ 50% = \$2.7B

Actual State Contribution (Operating Costs) = \$1.7B

Shortfall in State Funding = \$1B

★ Adequacy Starting Level (2003-04)

Total Estimated = \$5.9B

State Share @ 50% = \$2.8B

Shortfall in State Funding = \$1.1B

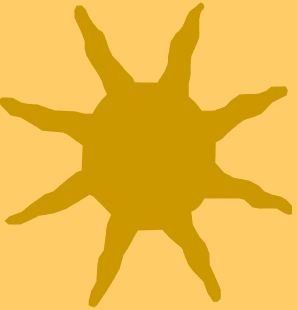
Shortfall in Funding (Thanks to 65.2% Local) = \$481M

★ Targeted Adequacy Funding Level

Total Estimated = \$7.7B

State Share @ 50% = \$3.7B

Shortfall in State Funding = \$2B (based on 2003-04)





Next Steps

★ For workgroup #2:

- Finalize state revenue shortfall under the two adequacy projections
- Apply inflation factor (need results in 2006 dollars)
- Examine definitions of weighting factors; recalculate costs based on any changed definitions

★ Other work related to workgroups #1 and 2:

- Magnet school costs (study nearly completed)
- Interim cost projections:
 - Pupil transportation (study may begin in Jan 2007)
 - Capital/facilities (study to begin in spring 2007)
- Compare ECE cost estimates with Gov's ECE Cabinet's figures

★ Additional major tasks?