



AUGENBLICK,
PALAICH AND
ASSOCIATES



Response to RFP BLR-190001 for Education Adequacy Consulting Services

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Presentation to the Senate Committee on Education
and the House Committee on Education
Little Rock, Arkansas
May 1, 2019

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Today's Presentation

- Study Team's Qualifications and Experience
- Study Overview
- Study Tasks
- Question & Answer

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Study Team's Qualifications and Experience

- **Augenblick, Palaich and Associates (APA)** is a Denver-based education finance and policy consulting firm, established 1983.
 - APA has worked in all 50 states
 - Leading adequacy study experts
 - Developed successful schools adequacy approach and leading practitioner of professional judgment adequacy approach
 - Conducted adequacy studies in more than 20 states, including Maryland, Alabama, Nevada, and Colorado, as well as Washington D.C.
 - Long history of working with policymakers to implement the results of school finance studies and develop school finance funding systems.
 - Designed school finance systems that were enacted in New Hampshire, Kentucky, Louisiana, Colorado, Mississippi, Ohio, Maryland, Kansas, New Jersey, and Pennsylvania. In several states, those systems are still operating today.
- **Justin Silverstein, Amanda Brown, Mark Fermanich, and Jennifer Piscatelli** will be the key staff from APA.

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Study Team's Qualifications and Experience

- **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. WestEd has been a leader in moving research to practice by:
 - Conducting research and development (R&D) programs;
 - Providing training and technical assistance; and
 - Working with policymakers and practitioners at state and local levels to carry out large-scale improvement and innovative change efforts.
- **Jason Willis, Alex Berg-Jacobson, Sean Tanner, and Ryan Lewis** will be the key staff from WestEd.
 - Specializes in state/school district finance and resource allocation.
 - The team has worked with states such as California, Arizona, Hawaii, Kansas, Florida, and North Carolina to review and identify appropriate levels of spending to achieve desired student outcomes.

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Study Team's Qualifications and Experience

- **Michael Griffith**, independent consultant. Griffith's policy expertise is in K-12 and postsecondary school finance. Over the past 20 years, he has worked with policymakers in all fifty states to improve their school funding systems.
 - Griffith will lead a number of the literature reviews in the study.
- **Dr. William Hartman**, President of Education Finance Decisions and Professor of Education, Emeritus, at Pennsylvania State University, and **Robert Schoch**, the founder and President of School Business Intelligence LLC.
 - Hartman and Schoch will lead reviews of transportation, special education, shared services, and consolidation.
 - Hartman is a respected authority on resource allocation in education, special education funding, education finance and equity, and the new fiscal reality for education.
 - Schoch has decades of experience working directly with school districts on finance and transportation issues.

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Study Team's Qualifications and Experience

- **Dr. Christina Stoddard**, Professor in the Department of Agricultural Economics and Economics at Montana State Univ.
 - Stoddard will lead the study team's examination of the differences in the costs of doing business across districts in Arkansas.
- **Dr. Lori Taylor**, Head of the Public Service and Administration Department and the Joe R. and Teresa Lozano Long Chair in Business and Government at the Bush School of Government and Public Service, Texas A&M University.
 - Taylor will provide guidance on the cost function adequacy study.
- **Dr. Sara Kraemer**, owner and lead consultant for Blueprint for Education.
 - Kraemer will lead a number of the literature reviews for the study.

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Study Overview

The study team designed the proposed scope of work around the three main sections of the RFP, Sections 3.0.A, 3.0.B, and 3.0.C.

- The study team will also fulfill the requirements related to reporting, support and education consulting as outlined in Sections 3.0.D and 3.1.
- Further, the study team's wide range of experience and expertise allows us to support the committees throughout the study process as additional research questions arise.

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Study Overview

- The study team's approach will utilize a number research methods to provide the Committees with a detailed analysis of adequacy and structure of the Arkansas education system as required by the RFP, while including the Arkansas context throughout the work:
 - Three Adequacy Approaches
 - Literature Reviews
 - Stakeholder Engagement
 - School district Survey
 - Additional Quantitative Work
 - Additional Qualitative Work
- Cross-section research activities (literature reviews, stakeholder engagement and the district survey) will be described first, then additional research activities will be described by RFP work section/subsection.

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Cross-Section Research Activities

Literature reviews: Each literature review will examine the academic and policy research available on the topic.

- In many cases, the study team will examine how states are addressing specific concerns.
 - In each of these cases, all 50 states will be reviewed, with special attention paid to the Southern Regional Education Board (SREB) states.
 - All reporting will include a separate table for SREB states.

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Cross-Section Research Activities

Stakeholder engagement: The study team proposes conducting both in-person listening sessions and an online survey in order to gather feedback in areas such as the college/career readiness definition, attraction and retention of staff, and resources needs.

- The study team will convene at least four in-person listening sessions with educators in different locations throughout the state, staffed by two, two-person study member teams.
- The online survey will be open to both educators and the public, including parents, students, business leaders and community members.

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Cross-Section Research Activities

School district survey: When needed data is not already available, the study team will survey districts directly through a single district survey, sent to each district’s superintendent.

- The survey will gather information in multiple study areas including school/district size issues (existing policies, best practices, and impact), best uses of funding for economically disadvantaged students, and capital needs.

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Study Tasks: Section 3.0.A

Section 3.0.A								
	Adequacy Approaches			Literature Review	Stakeholder Engagement	District Survey	Additional Quantitative Work	Additional Qualitative Work
	PJ	ECF	SSD					
1. Base Funding Level	X	X	X					
2. Students with Additional Needs	X	X						
3. Concentrations of Poverty	X	X		X		X		X
4. Identification of Gaps and Programs to Address		X	X				X	X
5. Correlation Between Performance and Funding		X	X					
6. Review of Adequacy Studies				X				
7. College and Career Readiness				X	X			X

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Review of College and Career Readiness (Section 3.0.A.7)

- **Objective:** To recommend a definition of college-readiness and/or career-readiness, including criteria for determining when students have achieved college-readiness and/or career-readiness, as well as standards for determining if school districts are preparing students for college-readiness and/or career-readiness, and address the reason for the continuing need for remediation at the college level.
 - This will also include identification of career and technical (CTE) programs available to students and make recommendation for funding methods and policies for ensuring students have equitable access to these programs.
- The study team will begin the work in Section 3.0.A by first establishing the definition of college and career readiness.

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Review of College and Career Readiness (Section 3.0.A.7)

- Though the adequacy approaches will use the educational adequacy standard set in the RFP, we recognize that any recommendations from the College and Career Readiness work may lead to resource impacts.
 - The study team would like this information to be available during the adequacy study implementation.
- To recommend a definition, the study team will:
 - Examine current state practices through a literature review.
 - Conduct stakeholder listening sessions and implement a survey to understand barriers to meeting certain standards and available CTE programs.
 - Create a recommendation for the Committees regarding a definition, district criteria, and CTE policies.

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Implementing Adequacy Approaches (Section 3.0.A.1-5)

- **Objective:** examine the resources needed for students across Arkansas to meet the educational adequacy standard, by:
 - Developing a base funding level
 - Addressing funding for students with additional needs
 - Addressing concentrations of poverty
 - Identifying performance gaps and programs to address
 - Analyzing correlation between performance and funding

- The study team will utilize three of the four existing adequacy approaches to address the sections: Professional Judgement (PJ), Education Cost Function (ECF), and Successful School Districts (SSD).

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Implementing Adequacy Approaches (Section 3.0.A.1-5)

- Multiple approaches are being used to address each subsection, as required by the RFP.
- Each adequacy approach is relevant to these specific RFP subtasks:
 - **Section 3.0.A.1,** Develop a base funding level: PJ, ECF, SSD
 - **Section 3.0.A.2,** Address funding for students with additional needs: PJ, ECF
 - **Section 3.0.A.3,** Address concentrations of poverty: PJ, ECF
 - **Section 3.0.A.4,** Identify performance gaps and programs to address: CF, SSD
 - **Section 3.0.A.5,** Analyze correlation between performance and funding: ECF, SSD

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Implementing Adequacy Approaches (Section 3.0.A.1-5)

	Professional Judgment (PJ)	Successful School District (SSD)	Education Cost Function (ECF)	Evidence-Based (EB)
Benchmark of Success	Ensuring students can meet all state standards	Currently outperforming other Arkansas school districts	Current performance; extrapolates to meeting all standards	Ensuring students can meet all state standards
Data Requirements	Expertise of Arkansas educators serving on PJ panels; uses research as a starting point, but defers to educators when conflict arises in resource recommendations based on their understanding of Arkansas standards	Expenditure data from selected successful schools or districts	Performance, student and district characteristics and expenditure data	Best-practice research, reviewed by Arkansas educators; when conflict arises in resource recommendations, the EB approach defers to the research
Resulting Information				
Base	Yes	Yes	Yes	Yes
Student Adjustments (Weights)	Yes	No	Yes	Yes
Resource Model	Yes	Yes (case studies)	No	Yes

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Using Multiple Adequacy Approaches (Section 3.0.A.1-5)

- Allows for triangulation of results
- Allows multiple performance benchmarks to be considered
 - Current versus future expectations
- Approaches are strengthened by incorporating components of others
 - Using ECF to identify schools for SSD case studies
 - Using evidence-based information as starting point for PJ panels
 - SSD case studies provide resource model information not gathered by ECF
 - ECF provides deep analysis of existing data not examined through other approaches
 - PJ allows for educator voice and buy-in
- Allows for detailed examination of both expenditures and resource models

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Professional Judgment Approach (Section 3.0.A.1-5)

- The PJ approach relies on experience and expertise of educators in the state to identify the resources needed to ensure all districts, schools, and students can meet state standards and requirements.
- Resources identified include school-level personnel, non-personnel costs, additional supports and services, technology, and district-level resources.
- The PJ approach identifies:
 - a resource model, and
 - a base cost and adjustments for special needs students.

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Professional Judgment Approach (Section 3.0.A.1-5)

- Advantages to using the PJ approach:
 - Highly responsive to evolving state standards and allows for the greatest alignment between a state's performance standards for all students and the estimate of the resources needed
 - Captures the intricacies of the state's context by relying on the expertise and experience of Arkansas educators
 - Allows for differentiation in resources by concentrations and levels of student need, as well as differences in district characteristics
 - Finally, as is the case with the EB approach, the PJ approach can provide specific high performance instructional models

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Professional Judgment Approach (Section 3.0.A.1-5)

- The PJ approach will include a number of panels held throughout the state:
 - Three School Level Panels
 - Elementary, Middle and High School
 - Four Specific Student Group Panels
 - At-Risk/Concentrations of Poverty, English Learners, Special Education, and CTE.
 - Three District Panels
 - One CFO Panel
 - One Statewide Review Panel

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Education Cost Function Approach (Section 3.0.A.1-5)

- The Education Cost Function (ECF) approach determines the link between education costs and desired outcomes by examining available expenditure and performance data collected by the state.
- Advantages of the ECF:
 - Estimates based on what districts and schools actually do.
 - ECF analyses can provide a strong empirical foundation for estimates of cost differentials.

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Education Cost Function Approach (Section 3.0.A.1-5)

- Considerations with the ECF:
 - Output-Based approaches require high quality measures of current performance and expenditures.
 - By design, statistical models describe relationships within the experience of the data.
 - Extrapolating to performance standards outside current experience is a challenge.
 - Statistical models involve errors of estimation and modeling that need to be counter-balanced with other methods.

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Successful School Districts Approach (Section 3.0.A.1-5)

- The theory behind the Successful School Districts approach is that the resources (expenditures and resource models through case studies) utilized by school outperforming other schools can be analyzed to understand what it takes to be successful.
- There are four steps to implementing the SSD study:
 - Identifying successful districts
 - Will work with the Committees and staff to set success standards.
 - Examining district expenditures by category
 - Applying efficiency screens
 - Calculating a base cost by category

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Successful School District Case Studies (Section 3.0.A.1-5)

- The SSD and ECF results will be used to identify schools that are Beating the Odds, meaning schools that are performing beyond what their demographic characteristics would predict.
- The study team will visit 10 schools to understand the programs and interventions used to achieve higher outcomes, as well as:
 - Quantitative data on the number of staff and other costs
 - School demographics, school staffing, use of school time, curriculum used, assessment usage, professional development, and school culture.
- School site visits will include meeting with the principal, teachers, special needs teachers, instructional coaches, and others.

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Review of Adequacy Studies (Section 3.0.A.6)

Objective: Review adequacy cost studies completed in other states and provide a report on best practices in those states.

To complete this review, the study team will:

- Summarize activity in all 50 states in a table
- Summarize the recommendations in key adequacy components
- Identify the typical recommendation by components.
- Assess findings from case studies
- Summarize best practices in implementing the adequacy approaches.

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Study Tasks: Section 3.0.B

Section 3.0.B								
	Adequacy Approaches			Literature Review	Stakeholder Engagement	District Survey	Additional Quantitative Work	Additional Qualitative Work
	PJ	ECF	SSD					
1. Current School Size Policies						X		X
2. School Size Best Practices				X		X		X
3. Impacts of School and District Size				X		X		X
4. Recommendations on Ideal Size of Schools				X				
5. Public Input on School Size Standards					X	X		X
6. School Boundaries and Attendance Areas				X			X	X
7. Addressing Small District Size and Remoteness	X	X		X				
8. Class Size Requirements and Student/Teacher Ratios				X				

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Size Policies (Section 3.0.B.1) and Best Practices Section (3.0.B.2)

3.0.B.1 Current Size Policies

- **Objective:** To understand whether local school systems currently have policies regarding the size of schools, including high schools, middle schools, elementary schools, and alternative schools.
 - The study team will use the district survey to collect current size policies from across the state.
 - The study team will then examine any relationships between these policies and district characteristics.

3.0.B.2 School Size Best Practices

- **Objective:** To determine what are the best practices in other states regarding school and district size, and what criteria are used to identify and determine best practices.
 - The study team will undertake a literature review and targeted phone interviews to examine best practices in other states.

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Impacts of Size (Section 3.0.B.3) and Recommendations (Section 3.0.B.4)

3.0.B.3 Impacts of School and District Size

- **Objective:** Determine how school and school district size impacts the educational and extracurricular programs and what the impact of school and school district size is on the community.
 - The study team will conduct a literature review on the link between school and district size to student performance.
 - The study team will examine how school and district size impact the educational offerings for students.
 - The district survey will examine extracurricular offerings.

3.0.B.4 Recommendations on Ideal Size of Schools

- **Objective:** Assess the ideal sizes for high schools, middle schools, elementary schools, and alternative schools in Arkansas.
 - The study team will examine the available research to recommend school sizes based on demographic, socioeconomic, community, and geographic factors.

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Public Input on Size (Section 3.0.B.5) and Boundaries/Attendance Areas (Section 3.0.B.6)

3.0.B.5 Public Input on School Size Standards

- **Objective:** Understand the current practices regarding public input in decisions on school size and how these current practices in Arkansas compare with best practices.
 - The study team will use interviews with ADE staff, district staff, and other stakeholders to understand the current approaches to school size input in Arkansas.
 - The study team will examine best practices from around the country, including interviewing other state Department of Education staff.

3.0.B.6 School Boundaries and Attendance Areas

- **Objective:** Evaluate how school district boundaries and school attendance areas affect school size and how school choice practices operate within school district and within school attendance areas.
 - GIS data will be used to create three district case studies examining the enrollment patterns seen. The data will include capacity of buildings and enrollment patterns between districts located next to each other.

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Efficiencies (Section 3.0.B.7) and Class Size/Teacher Ratios (Section 3.0.B.8)

3.0.B.7 Addressing Small District Size and Remoteness

- **Objective:** To understand which school district functions have limited operational efficiency because of small size or rural geography, what types of organizational structures are available in Arkansas to increase operational efficiency, and what types of support services are needed to improve operational efficiency in rural or small schools.
 - The study team will use district level financial and staffing data to examining operational efficiencies and inefficiencies.
 - The study team will examine the services available across the state using data from ADE, REAs, and other organizations.

3.0.B.8 Class Size Requirements and Student/Teacher Ratios

- **Objective:** Compare Arkansas class size requirements and student/teacher ratios to those in other states.
 - The study team will conduct a literature review of the student/teacher ratios across the country.

Study Tasks: Section 3.0.C

Section 3.0.C								
	Adequacy Approaches			Literature Review	Stakeholder Engagement	District Survey	Additional Quantitative Work	Additional Qualitative Work
	PJ	ECF	SSD					
1. Evaluation of Economically Disadvantaged Student Proxy								
1.a Community Eligibility Provision Evaluation				X			X	
1.b Impact on State Aid Formulas							X	
1.c Alternative Proxies				X			X	
2. Impacts on Equity							X	
3. Impacts of Enrollment Changes				X			X	
4. Costs by Areas of the State		X		X			X	
5. Attracting and Retaining Administrative and Educational Staff				X	X		X	
6. Attracting and Retaining Nurses				X	X		X	
7. Resources for Student Mental Health Issues	X			X	X			
8. Capital Needs				X		X	X	
9. Best use of Poverty Funds	X	X	X	X	X	X		
10. Impact of Vouchers		X		X			X	
11. Examination of Uniform Tax Rate				X			X	
12. Funding for Concentrations of Poverty	X	X		X				
13. Professional Development and Extra Duty Time	X		X	X		X		

Economically Disadvantaged Student Proxy (Section 3.0.C.1a-c)

- **Objective:** Evaluate whether the number of students eligible for free and reduced-price meals (FRPM) should continue to be used as a proxy for identifying economically disadvantaged students in several state education aid formulas, primarily National School Lunch (NSL) categorical funding.
 - The study team will build on research from its Maryland study on the impacts of Community Eligibility Provision (CEP) on NSL funding. This will include updating the literature review, analyzing CEP impacts in other states, analyzing longitudinal student data in AR, analyzing alternative counts, and creating a recommendation.
 - The study team will estimate the impacts of CEP on districts/the state.
 - The study team will examine alternatives to using FRPM data as the proxy. This will include examining the use of direct certification counts or a hybrid approach.

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Impacts on Equity (Section 3.0.C.2)

- **Objective:** Understand the impact of the current finance system on equity between school districts, including how varying levels of property tax assessment and revenue affect the equitability of education resources across the state. Analyze current district revenue and expenditure data in order to understand the equity of the current system as a baseline, then evaluate any alternative tax policies.
 - Using district level demographic and fiscal data, the study team will examine:
 - Horizontal equity, which examines how the state funding system treats similarly situation districts and students.
 - Vertical equity, which examines how well the state funding system addresses variation between districts and students.
 - Fiscal neutrality, which examines the relationship between local wealth and the resources available to a district.

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Impacts of Enrollment Changes (Section 3.0.C.3)

- **Objective:** Evaluate the impact of increasing and declining enrollments on local school systems, including transportation costs, particularly for local jurisdictions with large geographic areas but small populations, and provide recommendations that include strategies for addressing any impacts.
 - The study team will examine 10 years of data on Arkansas' current funding system including district characteristics, student demographics, transportation variables, and per student revenue and expenditures.
 - The study team will undertake a literature review of the impacts of enrollment change and how districts can adjust for such changes.
 - The study team will review how the other states adjust for changes in enrollment.
 - The study team will develop an interactive model to examine the impacts of different adjustments for enrollment change on Arkansas districts.

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Costs by Area of the State (Section 3.0.C.4)

- **Objective:** Develop a measure of regional cost differences in the state.
 - The study team will develop a Comparable Wage Index (CWI) for Arkansas. A CWI is a commonly used index that incorporates differences in costs and amenities by measuring the variation in non-teacher wages across localities.
 - The assumption is that workers who are similar to teachers in terms of their levels of education, their training, and their job responsibilities will have similar preferences as teachers.
 - The study team will use American Community Survey data to create a CWI for every district in the state.

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Attracting and Retaining Administrative/ Educational Staff (Section 3.0.C.5)

- **Objective:** Examine best practices in other states for attracting and retaining high quality educational and administrative staff for schools, including without limitation information regarding salaries and benefits and the funding mechanisms for those items.
 - The study team will undertake a literature review on the research of best practices to attract and retain personnel.
 - The study team will examine legislation in all 50 states related to attraction and retention of staff.
 - The study team will review and identify quality recruitment and retention programs in the state.

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Attracting and Retaining Nurses (Section 3.0.C.6)

- **Objective:** Determine the best practices used in other state and school districts to attract and retain school nurses through compensation systems.
 - The study team will first examine current salaries of school nurses in districts in Arkansas, then compare those salaries to other nurse salaries.
 - The study team will examine mechanisms for funding school nurses in other states.
 - The study team will examine the literature on school nurse turnover.

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Resources for Student Mental Health Issues (Section 3.0.C.7)

- **Objective:** Identify the resources necessary and available for coping with student mental health issues, including best practices in other states.
 - The study team will examine:
 - The literature on best practices for mental health in schools.
 - Legislation on mental health in schools in all 50 states.

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Capital Needs (Section 3.0.C.8)

- **Objective:** Study the critical capital needs of public schools in Arkansas in an effort to ensure equitable access to quality school buildings, equipment, and buses. Recommendations should ensure that state funding supports low wealth districts, districts with declining enrollments that nevertheless must replace existing buildings, and growing districts that require frequent new construction.
 - The study team will use existing data on capital needs in Arkansas to analyze the funding capacity of Arkansas districts.
 - The study team will review capital funding in other states, including how districts increase capacity for low wealth districts.
 - The district survey will include capital need questions.

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Best use of Poverty Funds (Section 3.0.C.9)

- **Objective:** Identify best practices and research-based programs for the best use of poverty funds (NSL), as well as funding methodologies available and necessary for supporting students with additional needs including without limitation physical or mental disabilities, learning disabilities, behavioral issues, economic disadvantages, and English language barriers.
 - The study team will:
 - Identify the additional resources needed to serve poverty students through the ECF and PJ adequacy studies.
 - Understand how other states have identified the resources for poverty students through the adequacy study review.
 - Conduct research on the types of interventions being identified as making differences for poverty students as part of the evidence-based review for the adequacy studies.
 - Provide detailed information on the types of programs and interventions Arkansas schools are using, identified through the case studies. This information will include the resources needed to implement the programs.

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Impact of Vouchers (Section 3.0.C.10) and Uniform Tax Rate (3.0.C.11)

3.0.C.10 Impact of Vouchers

- **Objective:** Analyze the impact of voucher programs and tax credits on funding for public education in the state and in other states.
 - The study team will review the literature on the impacts of voucher and tax credit programs.
 - The study team will examine policies related to vouchers and tax credits in all 50 states.

3.0.C.11 Examination of Uniform Tax Rate

- **Objective:** Examine the Uniform Rate of Tax funding method.
 - The study team will compare Arkansas' formula to that of a group of comparison states.
 - The study team will use the results of the equity study in 3.0.C.2 to understand the impacts of the URT.
 - The study team will gather input from the Committees and stakeholders.

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Funding for Concentrations of Poverty (Section 3.0.C.12)

- **Objective:** Examine funding levels to support districts or schools with high concentrations of poverty and recommend a formula that provides increasing funding rates for districts and schools with higher proportions of economically disadvantaged students that attempts to avoid significant increases or decreases in funding for minor changes in concentrations of poverty.
 - The study team will use analysis in sections 3.0.A.3-6 to inform the recommendation for concentrations of poverty.
 - The study team will conduct a literature of how best to serve concentrations of poverty, including examining the literature on the wrap-around services needed for concentrations of poverty.
 - The study team will examine the types of programs and interventions used by successful high poverty schools in Arkansas.

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Reporting and Support (Section 3.0.D) and Education Adequacy Consulting (Section 3.1)

- APA and its partners agree to all stated specifications and requirements in the RFP and has outlined its proposed scope of work to address all requirements to provide the requested services to the Committees.
- The study team will provide monthly updates and be available for all Committee meetings and other legislative committees of the Arkansas General Assembly.
 - The study team does not anticipate any limitations in its ability to attend meetings or provide any of the services described in Section 3.0.D.
- The study team will deliver a final report by October 2020.
 - A draft of this report will be available in August 2020 for Committee and staff review.
 - An interim report will be completed in March 2020.

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