



EDUCATION COMMISSION
OF THE STATES
Your education policy team.

COLORADO ASSOCIATION OF SCHOOL BOARDS

2017 WINTER LEGISLATIVE CONFERENCE

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What we do

We believe in the power of **learning from experience** and we know informed policymakers create **better education policy.**



Developments in School Funding

- **What's happening on the national level?**
 - ◆ Federal role in education funding
 - ◆ Every Student Succeeds Act (ESSA)
 - ◆ State school funding issues
- **Colorado school funding**
 - ◆ Colorado's funding formula
 - ◆ Comparable states
 - ◆ School funding issues
- **How/Why States Change Their School Funding Systems**
 - ◆ Adequacy & Equity
 - ◆ States that have changed their systems

National Issues – Federal Funding

- Funding from federal sources (2015-16):
 - ◆ National: 9.1%
 - ◆ Range:
 - ▶ Low: 3% (New Jersey)
 - ▶ High: 19.6% (Mississippi)
 - ◆ Colorado: 7.6%

US Dept. of Education Funding – FY 2016

Program	Funding	Percentage of US DOE Funding
Title I	\$16 billion	39.8%
IDEA	\$13 billion	32.2%
Vocational/Rehab	\$3.3 billion	8.2%
Title II	\$2.6 billion	6.4%
Title IV	\$1.9 billion	4.8%
All Other Title Programs	\$3.5 billion	8.7%

National Issues – ESSA

- Law requires accounting for school level expenditures
- The feds withdrew the rule that would have required equalizing funding between Title I & non-Title I schools
(Supplement not supplant)

National Issues – ESSA

- Rules for Title I spending/reporting have been relaxed a little
- Title IV programs have been consolidated and there is greater freedom in how funds are expended
- ESSA recommended increased funding for some federal programs
 - ◆ I would not count on this funding coming anytime soon

National Issues – What could the feds do next?

- ◆ Major changes:
 - Revise ESSA
 - Cut federal education spending
- ◆ Provide states/districts greater flexibility
 - Reduce spending requirements
 - Turn Title funding into block grants
- ◆ Increase Choice Options
 - Portability of Title I funding
 - Advocate for vouchers

The majority of states proposing increases to education funding

- ◆ Reduced education spending in “*energy states*”
- ◆ Flat or reduced spending in some states due to tax/revenue changes

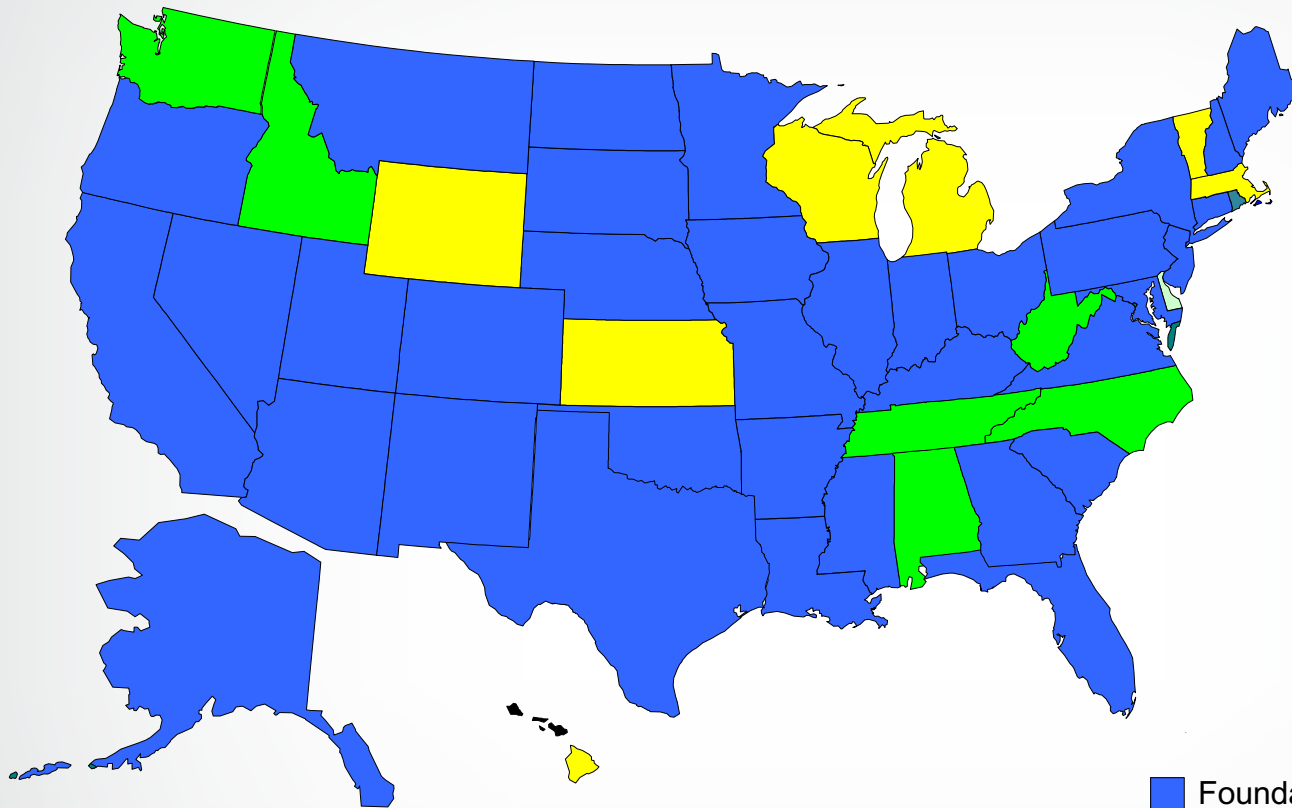
State Education Funding

Expenditures

- Three big issues in states:
 1. Teacher shortages
 1. Pensions
 1. Funding programs that were cut during the recession

The state's funding formula is not perfect but it is not the problem

State Education Funding Formulas



- Foundation Programs (36) (38)
- Resource Allocation Systems (7)
- Other (7)

Colorado Issues – List of Comparable States

- (Northern) California
- Colorado
- Massachusetts
- Minnesota
- Oregon
- Washington

Per Pupil Expenditures (2013-14)

	Per Pupil Expenditures	National Rank
National Average	\$11,009	
Massachusetts	\$15,087	8
Minnesota	\$11,464	19
Washington	\$10,202	28
Oregon	\$9,945	30
California	\$9,595	35
Colorado	\$8,985	40

Source: U.S. Census

Average Teacher Salary 2014-15

Source: NEA

	Average Teacher Salary	National Rank
National	\$57,420	
Massachusetts	\$75,628	2
California	\$72,535	3
Oregon	\$59,811	12
Minnesota	\$56,670	19
Washington	\$52,502	24
Colorado	\$49,828	33

Public High School 4-year Graduation Rate (2014-15)

	All Students	Students with Disabilities	Limited English Proficient	Economically Disadvantaged
National Avg.	83.2%	64.6%	65.1%	76.1%
Massachusetts	87.3%	69.9%	64.0%	78.2%
California	82.0%	65.0%	69.0%	78.0%
Minnesota	81.9%	61.1%	63.0%	67.2%
Washington	78.2%	58.0%	55.8%	68.1%
Colorado	77.3%	53.8%	61.1%	65.5%
Oregon	73.8%	52.7%	51.0%	66.4%

Source: National Center for Education Statistics

National Assessment of Educational Progress - 2015

Percentage of Students Proficient or Above

	Math 4 th Grade			Math 8 th Grade
National	39%		National	32%
Massachusetts	54%		Massachusetts	51%
Minnesota	53%		Minnesota	48%
Washington	47%		Washington	39%
Colorado	43%		Colorado	37%
Oregon	37%		Oregon	34%
California	29%		California	27%

National Assessment of Educational Progress - 2015

Percentage of Students Proficient or Above

	Reading 4 th Grade			Reading 8 th Grade
National	35%		National	33%
Massachusetts	50%		Massachusetts	46%
Washington	40%		Minnesota	40%
Colorado	39%		Colorado	38%
Minnesota	39%		Washington	37%
Oregon	34%		Oregon	36%
California	28%		California	28%

Changing State Funding Formulas

Adequacy and Equity

- Adequacy:
 - ◆ There are sufficient funds available for districts/schools to reach a set of outcome standards and/or required inputs
- Equity:
 - ◆ Districts in the state have a relatively equal amount of funding

Reasons states change their school funding systems

- Traditional reason for change:
 - ◆ General recognition that the system is not adequate and/or equitable
 - ◆ Changes in state tax policy
 - ◆ Litigation
- New ways of delivering education has forced change in some states (*Delaware, Idaho and North Carolina*)

State Changes to School Funding Formulas

Since 2000

■ Litigation States

- ◆ *Arkansas (2002)* *Litigation*
- ◆ *Kansas (2014)* *First litigation then Governor led*
- ◆ *Ohio (2013)* *First litigation then legislative led*
- ◆ *Wyoming (2001)* *Litigation*

State Changes to School Funding Formulas

Since 2000

■ Non-Litigation States

- ◆ *California (2013)* *Governor led/voter approved*
- ◆ *Maryland (2002)* *Legislative led change*
- ◆ *Nevada (2015)* *Legislative/Gov. led change*
- ◆ *Pennsylvania (2015)* *Legislative led change*
- ◆ *Rhode Island (2010)* *Legislative led change*

Lessons Learned in Other States

- Align the state's funding formula with the state's assessment & accountability system (*Massachusetts*)
- Ensure that education spending is tied to educational expectations (*Maryland*)
- Mandate that the state's funding formula be reviewed on a regular basis (*Tennessee*)

Lessons Learned in Other States

- How did advocates change school funding:
 - All ed. advocates are on the same page
 - Leadership
 - Clear/understandable plan
 - Public support
- The public is more accepting of additional funding for education when it is tied to specific outcomes/programs
- The public tends to give states “*one bite at the apple*” when it comes to change

TABOR

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