

PROPOSED CHANGES TO SFRA:

EDUCATION FUNDING REPORT, FEBRUARY 2012

Formula Element	Proposed Change	Report Justification	Change Allowed in Adequacy Report?	Comment
Weights– at risk, LEP*, combination students (both at risk and LEP)	Adjust weights by reverting to weights initially developed in 2003 PJP** process	“...unsatisfied with the reasons for the inflation of the PJP-determined weights upward;” still among the “the most generous state funders of at-risk, LEP, and at-risk LEP combination students in the country.”	Yes 18A:7F-46b.3	Improper adjustment: not based on actual formula creation and implementation
At Risk Weights	Adjust to original PJP scale, maxing out at 40% instead of 60% (see “Comment”). Recommend evaluation of costs in successful school districts with very high concentrations of at risk (over 40%).	Determine whether there is “factual case” for increasing weights beyond 40% (not examined in cost study)	Yes 18A:7F-46b.3	Improper adjustment: not based on actual formula implementation * Inconsistency in Funding Report of whether sliding scale stops at 40% or 60%.
LEP	Adjust from .50 to .47	Revert back to 2003 PJP using updated costs	Yes 18A:7F-46b.3	Improper adjustment: not based on actual formula implementation

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Combination Weight	Adjust from .125 to .1052	Revert back to 2003 PJP using updated costs	Yes 18A:7F-46b.3	Improper adjustment: not based on actual formula implementation
Base Cost	Adjust from \$9,649 (2009) to \$10,555	Adjust for inflation and updated costs	Yes 18A:7F-46b.1	Appropriately adjusted using updated cost components and/or CPI
Preschool Aid	Adjust by CPI; future study to create resource specification; monitor PEA carryover.	Cannot update with current expenditures because state aid = expenditures. Recommend: continuing with CPI increases; future study to create resource specification to address loss of funding from DHS; 2011 Audit of PEA showed underreporting of PEA carryover – will monitor.	Yes 18A:7F-46b.2	Appropriately adjusted to reflect inflation
Grade Level Weight	High School weight changed from 1.17 to 1.16	Based on updated cost components	Yes 18A:7F-46b.3	Appropriately adjusted using updated cost components
County Vocational Weight	Changed from .31 to .26	Based on updated audited expenditures data, greater precision from using actual data v. estimates in SFRA	Yes 18A:7F-46b.3	Appropriately adjusted using updated cost components
Security Aid	Per pupil for all students stays the same; at risk per pupil changes from \$406 to \$402	Updated costs; decrease driven by lower salaries for security personnel.	Yes 18A:7F-46b.4	Appropriately adjusted using updated cost components

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Transportation Aid	Adjust cost components by inflation (CPI)	Due to lack of extensive study after Deloitte & Touche report (1995), maintain SFRA parameters	Yes 18A:7F-46b.4	Appropriately adjusted to reflect inflation
Average Classification Rate	General Special Education: 14.69% to 14.7% Speech Only: 1.897% to 1.77%	Based on Application for State School Aid (ASSA) data	Yes 18A:7F-46b.5	Appropriately adjusted to reflect most recent data available
General Special Education Excess Costs	From \$10,897 (in 2009) to \$14,929	Recalculated using actual expenditures	Yes 18A:7F-46b.6	Appropriately adjusted using actual expenditure data
Speech Only Special Education Excess Costs	From \$1,082 to \$1,187	Updated cost components from PJP	Yes 18A:7F-46b.6	Appropriately adjusted using updated cost components
Extraordinary Aid Thresholds	No changes	Only 3 years of data available, suggest no changes needed, average costs for these students have remained consistent	Yes 18A:7F-46b.7	N/A
Definition of "At Risk" Pupils	No proposal to replace use of federal free and reduced priced lunch (FRL) eligibility, but Governor's Task Force will explore and recommend options	FRL susceptible to "fraud;" does poverty = at risk? If so, is there a better measure of poverty than FRL? If not, is there a better measure of "at-risk?"	No: At Risk defined as "resident pupils from households with a household income at or below the most recent federal poverty guidelines available on October 15 of the prebudget year multiplied by 1.85." 18A:7F-45	Can only be changed through amendment to SFRA statute

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Adjustment Aid	Reduce adjustment aid for districts at or above adequacy – by 50% of the amount the district is above adequacy	Adjustment Aid was “political add-on to the PJP process;” the Legislature “succumb[ed] to political expediency.”	No: For 2011-12 and after, districts should receive aid level from 2008-09 unless they see a >5% enrollment decline. 18A:7F-58a.3	Can only be changed through amendment to SFRA statute
Enrollment Count	Move from single day count to Average Daily Attendance (ADA)	Under/overfunding in districts with mid-year enrollment changes; lack of concern for encouraging attendance – increased attendance required to close achievement gap.	No. Resident enrollment defined as Oct. 15 th enrollment count. 18A:7F-45	Can only be changed through amendment to SFRA statute

* LEP = Limited English Proficient

** PJP = Professional Judgment Panel, a “costing out” approach that relies on the judgment of experienced educators to establish the level of resources necessary to provide an adequate education.