

Simulating K-12 Financing Decisions
Human Services Policy Center, Evans School of Public Affairs, University of Washington
Project Summary per September, 2005

Researchers at the Human Services Policy Center in the Evans School of Public Affairs at the University of Washington are developing a simulation cost model to assist states and districts in linking their school finance policies to their student achievement goals. Using the best research available on what strategies improve student achievement, state or district teams are guided through a series of key decisions about the programs and services they want to fund in their school system. Decisions are made “from the ground up,” making no assumptions about retaining current practices or conforming to current laws and regulations. Emphasis is placed on differentiating programs for different types of children (children who are economically disadvantaged, classified as special needs, limited English proficient, etc), at different age/grade levels (preschool through 12th grade).

For ease of use, we have developed a *Policy Guide*, an interactive, web-based tool that works in tandem with the cost model. Its main purpose is to ask a structured set of questions about the educational programs and services desired by the participants. It provides summaries of the research to help inform those decisions, and then captures and catalogues the participants’ answers for each decision, producing a complete print-out of decisions for each “core scenario.” Core scenarios are defined as one complete set of decisions for the model, organized around a focal approach to educational improvement, such as teacher quality, individualized instruction or comprehensive school reform. In developing each core scenario, participants are asked to consider two different types of questions: “framing questions,” which are broad policy issues that impact resource allocation and use across a wide range of policies, and “policy options” (such as teacher compensation, student/teacher ratio, or tutoring programs) which are more defined sets of strategies that determine what types of staffing and resources schools will require. The Policy Guide also offers options for a broad range of strategies shown to affect student performance, including early education, instructional and support programs and social and health services. Strategies vary between higher and lower cost approaches.

Process:

- To begin this project, a team of policy makers in a partner state will participate in a series of meetings to make specifications about various aspects of the state’s education system by using the Policy Guide.
- Participants will have the option to model current costs or apply a simplified estimate for a strategy for which they are not interested in investigating in detail.
- Different decisions may be specified for students by grade and by category such as special education, limited English proficiency, and economic disadvantage.
- The policy guide will summarize what the research literature shows about desirable ranges of each strategy, what is known from research about effects of that strategy on student achievement, and the degree of uncertainty concerning costs and effects, to help policy makers with specific decisions.
- Teams may create multiple scenarios for which costs will be estimated and compared.
- There will be two rounds of policy specification and analysis. After receiving the analysis comparing costs of the first set of policy specifications, state/district teams will specify a second round in which they may create new policy scenarios, refine first round scenarios or define scenarios as phases in to a desired scenario.
- We will fund a local facilitator who will be responsible for helping to plan full state/district team meetings, run those meetings in a way that insures full and balanced participation, and arranges work group or sub-committee meetings to assure that policy specifications are provided in a timely manner.

This research was supported by the School Finance Redesign Project at the University of Washington's Center on Reinventing Public Education through funding by the Bill & Melinda Gates Foundation, Grant No. 29252. The views expressed herein are those of the author(s) and are not intended to represent the project, center, university, or foundation.

State and District Input:

It will be an open question whether the policy scenarios developed are just to be used for developing a cost allocation, which districts will be free to spend as they choose, or whether a state will want to assert some influence on how funds are actually spent. To enlighten this discussion, we will recruit policy teams from several diverse districts within the partner state to serve on the work group. In addition to contributing to the state policy discussion, these district teams will work through the Policy Guide and generate their own set of preferred decisions. We will then analyze the degree to which the district and state team policy scenarios would produce different funding allocations.

Output:

After inputs are specified using the Policy Guide, the HSPC team will take approximately eight weeks to model costs based on these specifications. The model's output will estimate:

- Total cost of education for the state for each scenario
- Estimated per pupil costs by type of student (for example, economically disadvantaged, LEP, special education) and by grade
- Total amounts per district, calculated by applying per pupil figures to the student demographics of each district

Frequently Asked Questions

1. Is this an adequacy study?

Not per se, though it fulfills some of the same purposes. However, it does not start with a presumption of adding additional costs or services to the existing educational system. State teams may choose to model any scenarios they wish, including eliminating one program in favor of another, choosing high or low ratios, estimating costs for a very basic education, etc. There is no one right answer; state teams may use research findings and their own state values and context to make specifications right for them.

2. Does the model address revenue issues?

Not at this time. After appropriate spending allocations have been determined, revenue changes may or may not be required. We focus on the total cost of education per student, by category, not on the relative contribution to that cost by different jurisdictions.

3. How long will the process take?

We expect the process to take a little over a year, but can expand or contract it to respond to policy development cycles. In our initial two partner states, we are experimenting with a 15 month process in one state, and a more compressed 9 month process in the other.

State teams will typically meet 3-4 times over the course of two months to make several sets of specifications for the HSPC team to cost out. Approximately eight weeks later, estimated costs will be presented to the team. From here, the team may choose to alter any of their scenarios to compare costs. These second meetings may last several hours. The HSPC will then require approximately four more weeks to present revised cost estimates to the team.

4. What will the state have to pay to participate?

While HSPC's work with two pilot states is funded by the Bill and Melinda Gates Foundation, contributions from local funders or agencies are desired as an indicator of commitment. Such contributions include grants from local foundations, sharing the cost of a local process facilitator, producing special data on current costs and staffing, and convening meetings.

5. We are not interested in considering major spending increases; how will this model be useful to us?

This project's focus is on effective spending allocations. The policy specifications considered may range from minimal to maximal adjustments to the current situation, and the cost of major versus minor changes can be estimated. There are likely to be situations where the research literature provided in the Policy Guide suggests that lower-cost strategies may have as great an impact on student performance as higher-cost strategies.