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Adequacy Funding Study

Prepared by

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Adequacy Funding Study

Executive Summary

Prepared for

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March 14, 2005

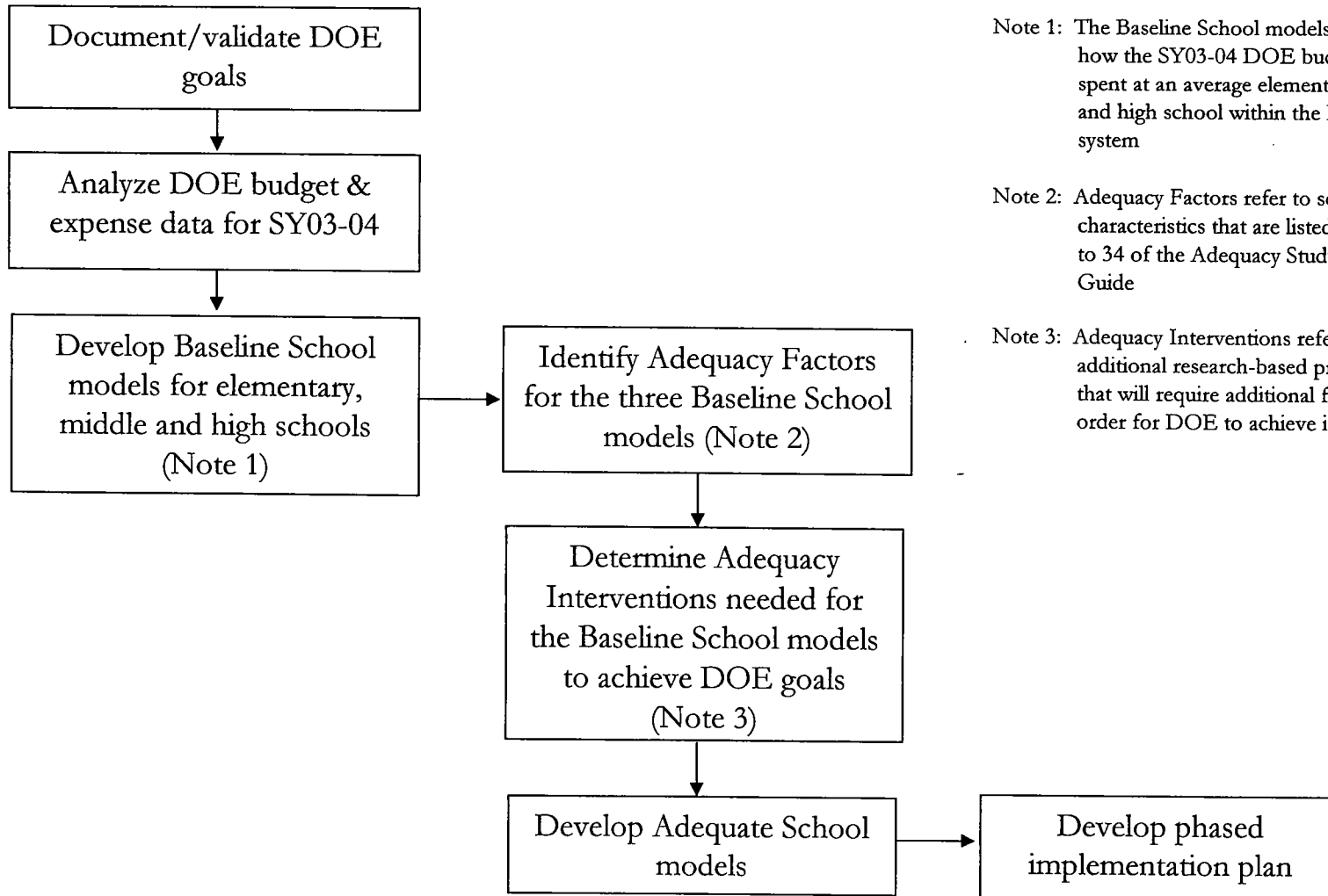
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Objective

Develop an adequacy funding model that can be used as a tool for determining the level of funding required to support the vision and goals of the State of Hawaii Department of Education (DOE) and Board of Education (BOE)

Methodology



Note 1: The Baseline School models estimate how the SY03-04 DOE budget was spent at an average elementary, middle and high school within the K-12 school system

Note 2: Adequacy Factors refer to school characteristics that are listed on pages 29 to 34 of the Adequacy Study Reference Guide

Note 3: Adequacy Interventions refer to additional research-based practices that will require additional funding in order for DOE to achieve its goals

Findings

- DOE's funding needs to increase by \$278 million
- Included in the above amount is \$25 million that pertains to combined and charter schools*

Comparison between Adequate and Baseline Funding Levels

| | Number of Students | Baseline | Adequate | Budget Difference | % Difference |
|-------------------------------|--------------------|-------------------------|-------------------------|-----------------------|--------------|
| Elementary Schools | 88,482 | \$ 783,659,538 | \$ 942,540,036 | \$ 158,880,498 | 20.3% |
| Middle Schools | 30,752 | \$ 246,921,728 | \$ 282,088,419 | \$ 35,166,691 | 14.2% |
| High Schools | 47,259 | \$ 400,869,372 | \$ 459,698,418 | \$ 58,829,046 | 14.7% |
| Regular School Cost | 166,493 | \$ 1,431,450,637 | \$ 1,684,326,873 | \$ 252,876,235 | 17.7% |
| Combined and Charter Schools* | 15,841 | \$ 139,466,275 | \$ 164,129,427 | \$ 24,663,152 | 17.7% |
| Debt Service | | \$ 98,933,822 | \$ 98,933,822 | \$ - | 0.0% |
| Total School Cost | 182,334 | \$ 1,669,850,734 | \$ 1,947,390,122 | \$ 277,539,388 | 16.6% |

**Due to data limitations and time constraints, the Combined and Charter Schools category has not been analyzed in detail (please refer to page 39 of the reference guide for a suggested approach). However, to maintain parity with regular schools, it is recommended that the funding for the Combined and Charter Schools be increased at the same overall rate as regular schools*

Phased Implementation Schedule of Incremental Costs

- Given the challenges associated with increasing the DOE budget by \$278 million in one year, a phased implementation is recommended

| Costs by School Type (\$ million) | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|--------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
| Elementary Schools | 33 | 39 | 33 | 31 | 23 | 159 |
| Middle Schools | 10 | 12 | 13 | | | 35 |
| High Schools | 15 | 17 | 17 | 10 | | 59 |
| Combined and Charter Schools | 5 | 5 | 5 | 5 | 5 | 25 |
| Total | 64 | 73 | 67 | 46 | 28 | 278 |

Recommended Use Of Funds Elementary Schools

| Year | Intervention Program Categories* | Program Cost (\$ million) |
|-------------|--|---------------------------|
| Year 1 | Positive Behavioral Support (PBS) System (improve discipline, classroom communication) | 15.7 |
| | Summer school with academic focus for students in the bottom 40% each year (grade K-5) | 10.2 |
| | Mentor teachers who are new to the profession | 1.5 |
| Year 2 | Targeted reading and math programs using research-validated methods in grades 1-3 | 28.6 |
| | Teacher leadership development program (teaming, instructional improvement) | 5.0 |
| Year 3 | Increase tutoring in reading and math in grades 4-5 | 18.4 |
| | Instructional improvement coordinators to organize and conduct professional development on a range of issues and to coach teachers | 10.2 |
| Year 4 | Computer-assisted instructional labs and workstations | 14.0 |
| | Additional training for teachers to gain specific knowledge and skills that improve their ability to teach reading and math to students not meeting standard | 13.1 |
| Year 5 | Additional support for high-needs special education students to meet NCLB standards | 13.7 |
| | Intensive language acquisition program for ESLL students by reducing student-teacher ratio | 5.1 |
| Pro-Rata | Program support cost to implement interventions | 20.4 |
| Centralized | Intervention costs at the DOE central administration | 3.0 |
| | Total | 158.9 |

* Please refer to pages 9 to 28 of the reference guide for additional information on the interventions

Recommended Use Of Funds

Middle Schools

| Year | Intervention Program Categories | Program Cost (\$ million) |
|-------------|--|---------------------------|
| Year 1 | Positive Behavioral Support (PBS) System (improve discipline, classroom communication) | 5.5 |
| | Mentors teachers who are new to the profession | 0.5 |
| | Campus security increased to improve students' sense of safety and well-being | 2.2 |
| Year 2 | Create "default core" curriculum into which all students are enrolled unless they opt out | 8.2 |
| | Closely articulate middle school and high school mathematics curriculum, so that all students progress at an appropriate rate and that all are placed properly when they enter high school | 1.0 |
| | Teacher leadership development program (teaming, instructional improvement) | 0.8 |
| Year 3 | Reading program focused on informational texts (e.g., textbooks), charts, graphs, diagrams, data arrays, and reading across the curriculum | 3.1 |
| | Instructional improvement coordinators to organize and conduct professional development on a range of issues and to coach teachers | 3.1 |
| | Improve counseling services at the middle level to help diagnose students with out-of-classroom problems that are preventing them from meeting standards | 4.1 |
| | Small learning communities | 1.2 |
| Pro-Rata | Program support cost to implement interventions | 4.5 |
| Centralized | Intervention costs at the DOE central administration | 1.0 |
| | Total | 35.2 |

Recommended Use Of Funds High Schools

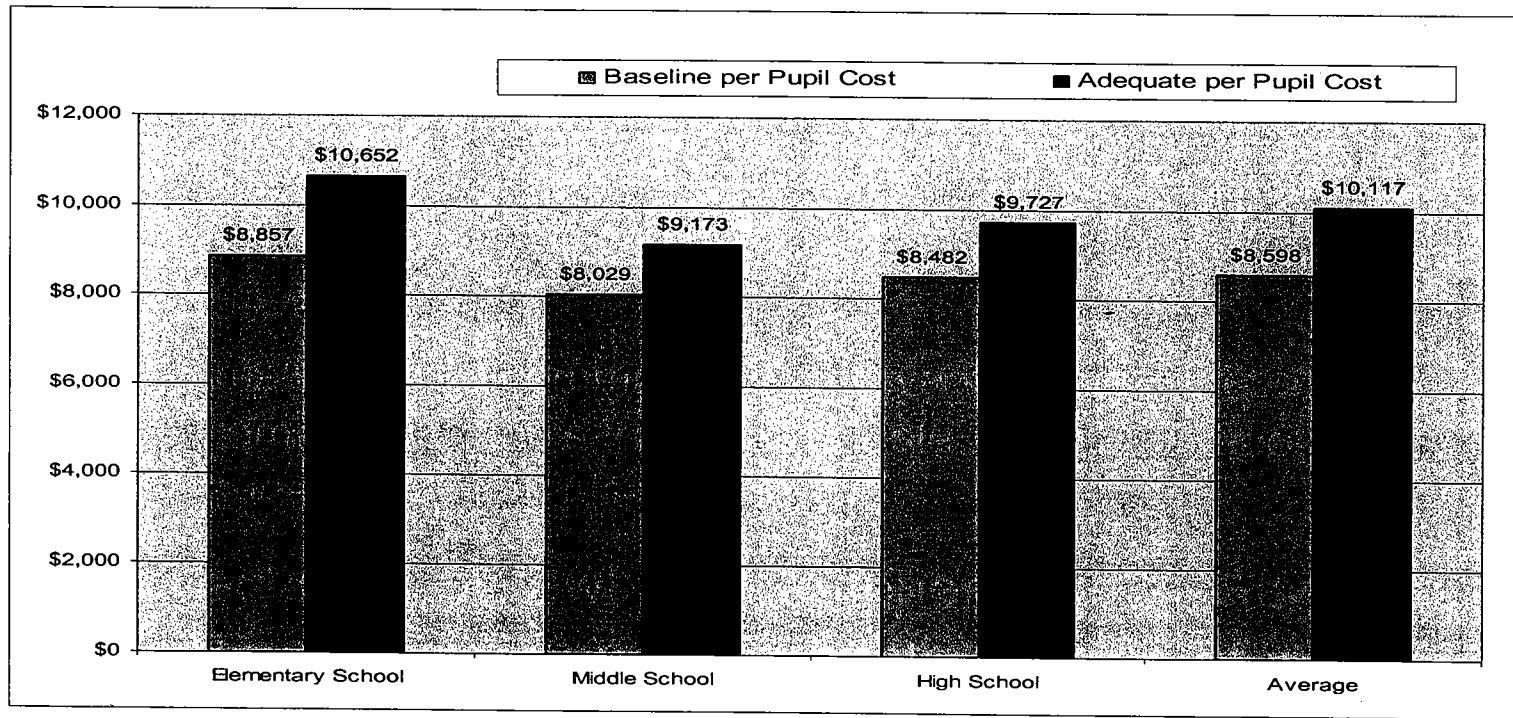
| Year | Intervention Program Categories | Program Cost (\$ million) |
|-------------|--|---------------------------|
| Year 1 | Positive Behavioral Support (PBS) System (improve discipline, classroom communication) | 8.4 |
| | Campus security increased to improve students' sense of safety and well-being | 3.0 |
| | Mentors teachers who are new to the profession | 0.8 |
| Year 2 | Small learning communities, including career academies | 13.2 |
| | Teacher leadership development program (teaming, instructional improvement) | 1.1 |
| Year 3 | Instructional improvement coordinators to organize and conduct professional development on a range of issues and to coach teachers | 5.5 |
| | Community-based internships and student-run businesses | 2.8 |
| | Reading program focused on informational texts (e.g., textbooks), charts, graphs, diagrams, data arrays, and reading across the curriculum | 6.5 |
| Year 4 | Increased student writing, including multiple 5-page research papers | 2.4 |
| | Increase Advanced Placement enrollment and pass-rate on AP examinations | 4.3 |
| | Postsecondary options and dual enrollment program | 1.8 |
| Pro-Rata | Program support cost to implement interventions | 7.5 |
| Centralized | Intervention costs at the DOE central administration | 1.6 |
| | Total | 58.9 |

Recommended Use Of Funds Combined and Charter Schools

- Combined schools are unique in composition because there is significant variability in the characteristics of the student population at each school
- Additional analysis is required to determine which interventions are appropriate for each combined school. As examples:
 - The "advanced placement" and "post-secondary enrollment option" interventions are specific to combined schools that span up to the high school level
 - The "small learning communities" intervention may not be appropriate for small combined schools that span middle and high school levels, and have student population less than 700
- Charter schools, by law, have autonomy on the use of their funds. Hence, DOE cannot mandate specific interventions at these schools

Increased Funding Per Student

- At the Adequate Funding level, DOE's average cost per student would increase from \$8,598* to \$10,117 - a 17.7% increase over SY03-04



* Excludes education-related expenditures incurred by other State agencies

Next Steps

- Develop a communication plan to share study findings with various stakeholders
- Create a commission that will be responsible for updating the adequacy models

Next Steps

Communicating with various stakeholders

| Communication Type Stakeholders | Pamphlet* | Executive Summary (this presentation) | Models (Excel models) | Reference Guide (Word document) |
|------------------------------------|-----------|--|--------------------------|------------------------------------|
| DOE Administration | ✓ | ✓ | ✓ | ✓ |
| CASs and Principals | ✓ | ✓ | ✓ | ✓ |
| Educators and Public | ✓ | | | |
| Governor's office | | ✓ | ✓ | ✓ |
| Legislators | | ✓ | | |
| Legislative Staff | | ✓ | ✓ | ✓ |

* Three-fold flyer that includes the following information: (1) Purpose of the study (2) Results (3) Key interventions (4) Web address for the Executive Summary (5) Contact person who can address questions/queries

Next Steps

Create a commission

- Non-partisan commission consisting of leading citizens from non-educational sectors and respected former educators
 - Create sub-committees focusing on different aspects of the adequacy funding implementation
 - Update the model annually
 - Update figures, interventions
 - Oversee development of alternative model schools
 - Redesigned/restructured high school
 - Combined school
 - High-poverty school
 - Define performance goals for different levels of funding
 - Communicate with various stakeholders

