



A QUALITY EDUCATION: HOW MUCH DOES IT COST?

In his appearance before the State Supreme Court of New York, Dr. Robert Berne, Senior Vice President and Professor of Public Administration and former Dean of the Robert F. Wagner Graduate School for Public Service stated that the New York Adequacy study lead by AIR “is the most sophisticated, extensive and comprehensive costing-out study that has ever been done in the United States.”¹

The Adequacy Question and School Funding

The question of adequacy must be addressed in designing a system for financing a state’s public schools. Four methods have emerged for conducting this work: (1) cost models using econometric methods, (2) successful schools models, (3) research-based cost models, and (4) professional judgment models. Each of these approaches yields useful information, and each has advantages and disadvantages. Our approach uses elements of all four approaches, with the professional judgment model forming the centerpiece.

An Approach to Costing Out Adequacy

Drs. Jay G. Chambers and Thomas B. Parrish of the American Institutes for Research (AIR) pioneered the professional judgment model more than 20 years ago in two major studies in Illinois (1982) and Alaska (1984). They recently completed a study in the state of New York (2004) that emphasizes the professional judgment model while also drawing from the other methods.

A Comprehensive Study Design

The comprehensive study has six phases.

Phase 1: Public Engagement. Meetings are organized around the state to obtain input from interested parties (e.g., school board members, taxpayers, parents, government officials) regarding adequacy goals and other aspects of the project.

Phase 2: Convene Professional Judgment Panels (PJPs). The AIR team selects members for four to eight PJPs representing clusters of districts with different levels of pupil needs and access to resources. Each panel operates independently and includes professional educators with experience designing and implementing instructional programs. The panels typically include superintendents, school principals, school business officials, teachers, and special educators. Panel members are chosen from schools identified as “successful” through statistical analysis, and through nomination processes. Each panel is asked to design instructional programs to meet the outcome and learning standards for students established during Phase 1.

Phase 3: Analysis. The simulation model and other techniques are used to produce a synthesis of results from the initial round of PJP meetings. AIR uses an external panel of nationally recognized education researchers to provide feedback on the work of the PJPs, which is supplemented by analysis of the types of resources and staff qualifications common to “successful” schools. PJP representatives are reconvened to interpret and synthesize the results of these analyses. In addition, geographic variations in education costs, estimated overhead rates for central administration, and the cost of maintenance and operations services are added. If desired, analysis of home-to-school transportation and the costs of school facilities can also be included.

Phase 4: Cost Out Adequacy and Produce Preliminary Report. The AIR team uses the work of the panels from Phase 2, the synthesis completed during Phase 3, the supporting studies of district administrative costs and geographic cost variations completed during Phase 3, and enrollment data for schools and districts in the state to estimate the costs to achieve the adequacy standards established in Phase 1. Simulations are performed to explore variations in the costs of adequacy based on alternatives specified by the different panels. The tentative results of these analyses are then compared with results of alternate analyses based on the analysis of resource data for successful schools and research-based models, and then a preliminary report is produced.

Phase 5: Convene Stakeholder Panel. A Stakeholder Panel is convened, which is composed of representatives of the PJPs as well as non-educators such as school board members, parents, business leaders, policy makers, and government officials. This panel interacts with the PJP representatives and reviews all aspects of the preliminary

¹ A statement made by Dr. Robert Berne for SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK: IAS PART 25, in the case CAMPAIGN FOR FISCAL EQUITY, INC., et al., Plaintiffs, v. THE STATE OF NEW YORK, et al., Defendants, paragraph 12, page 6.

report produced in Phase 4 and the proposed adequacy recommendations. This group complements the work of the PJPs by adding a non-education perspective on the proposed adequacy standards.

Phase 6: Produce Final Report. Final recommendations regarding adequacy standards for the state are produced from the steps above. The final report includes a cost estimate for adequate education in each district of the state. In addition, the AIR team may work with state representatives to design a school funding formula.

Significant Features of our Approach

There are four features that distinguish our approach from that of other researchers who have employed the professional judgment model. First, we employ a public engagement component (phase 1) that promotes public awareness of the adequacy study and helps establish buy-in among key constituencies. It accomplishes this by involving non-educators together with educational professionals in reaching an agreement about the outcomes on which the entire study is based.

Second, we conduct an analysis of *successful schools* by applying an approach that identifies schools that are *beating the odds* for the students they serve. This analysis helps us to identify the best schools within a state serving various mixes of students with special needs (i.e., students in poverty, students with disabilities and students who are English language learners). The *successful schools analysis* not only helps us in the process of selecting highly qualified educators to serve on the PJPs, but it also allows us to explore the differential patterns of resource allocation and utilization that may be unique to *successful schools*. These data are provided along with reviews of research literature to the PJPs for their deliberations.

Third, we explicitly include services for students with disabilities in our analysis of adequacy. To our knowledge, none of the other research teams employing the professional judgment model have attempted to address the needs of students with disabilities.

Fourth, through the *Stakeholder Panel*, we establish a set of checks and balances in the process that force the members of the PJPs to explain and justify their decisions about instructional programs and the resource specifications that underlie the costing out analysis. Specifically, the PJPs members are informed early on that they will have to justify their work in front of a larger stakeholder panel.

Assuring Constitutional Compliance

AIR's comprehensive process has been designed to fairly define the level of resources needed to meet state learning standards and to comply with court requirements in education adequacy cases. Before initiating a project, AIR's legal consultants will review the laws and judicial requirements in the particular jurisdiction in order to ensure that all legal requirements are addressed.

AIR School Finance Research Team

The American Institutes for Research (AIR) offers a research team that has been conducting adequacy studies for over two decades. This team is joined by highly experienced and nationally recognized expert consultants providing a broad range of knowledge about educational programs serving students with disabilities, English language learners, and students in poverty.

Key AIR Staff

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