

**Education Reform Commission  
Funding Formula Committee  
Student-Based Funding Formula  
August 12, 2015**

The Funding Formula Committee has reached preliminary consensus around the development of a student-based funding formula that consists of three components: Base Funding, Weighted Student Characteristics, and Categorical Grants. To model these components, staff made assumptions and calculations using the FY16 QBE allocation formula and amounts.

**Base Funding**

Grades 4-8 were established as the base student cost category. In the proposed model, the base amount per student would be \$2,046.69. The base amount does not include training and experience (T & E) for teachers, state health benefits, or Teacher Retirement System (TRS) contributions. Listed below are the details regarding how this base amount was calculated.

Below are the class size ratios and operations funding for direct instruction, outlined as they would have been earned in QBE, that go into the calculation of this base student amount.

- Teachers 1:29  
(This is the ratio for a class in grades 4-8 in which students have no weighted characteristics.)
- Counselors 1:450
- Art/Music/PE/Foreign Language (one per 450 students in grades K-5) 1:450
- Technology Specialist 1:1100
- Instructional Operations (includes textbooks, technology, supplies) \$85.80

Using these ratios and amount assumptions, districts would receive \$1,383.25 for Direct Instructional Costs in the student base.

Below are the amounts for indirect instructional costs, outlined as they would have been earned in QBE, that go into the calculation of funding for the personnel listed.

- Superintendent and Central Office \$ 9.39
- Social Worker \$ 13.70
- Psychologist \$ 13.70
- Principal \$ 61.93
- Assistant Principal \$ 54.34
- Secretary \$ 22.70
- Operations \$ 6.06
- Facility M & O \$298.00

The total amount for Indirect Instruction in the student base is \$479.82

In addition, the model includes the student base amounts below, outlined as they would have been earned in QBE, for the following programs.

- Media \$73.88
- Staff Development \$14.61
- Nursing \$19.89
- Transportation \$75.23

The total student base amount, then, includes the following funding levels.

- Direct Instructional \$1,383.25
- Indirect Instruction \$ 479.82
- Additional Base Elements \$ 183.61
- **Total Student Base Amount** **\$2,046.69\***

*\*Rounding in accompanying spreadsheet accounts for the penny difference from the actual total if summed here.*

### **Comparison to Student Base Funding in Other States**

A majority of states use some form of base, or foundation, funding for their formulae. The base funding unit is supplied through either dollars per pupil or teacher allocations per classroom. Pupil counts vary between states and within formulae. Some states use average daily membership (ADM); others opt for average daily attendance (ADA) or full-time enrollment (FTE).<sup>i</sup>

Thirty-eight states provide additional funding based on district size, sparsity, or isolation.

No. of states with reported bases	37
Range of bases	\$1,614–\$11,525
Median base value	\$5,188
Special notes	Seven states have a base lower than \$3K (OK, SC, LA, UT) or higher than \$10K (MA, NJ, CT).

### **Weighted Student Characteristics**

The Funding Formula Committee agreed, with preliminary consensus, to weight the following student characteristics: Students in K-3; Students in 9-12; CTAE Students; Students with Disabilities; English Speakers of Other Languages; and Gifted Students.

It is important to remember that the base is multiplied by the weight to calculate the additional funding earned for the student(s) with a specific characteristic. As the base amount changes, or as the base amount differs among states being compared, the effect of the weight also changes. The interaction between the student base funding amount and the weight create the effective weight for a characteristic.

There is no industry standard for the weight of any student characteristic or for the amount of money the weight should generate. There is wide variability in the assigned weights and base amounts among the states, resulting in wide variability in the funding earned. From the information gathered from each state, a national mean was calculated for the characteristics that match those the committee has determined will be weighted in Georgia. The current QBE weighting was also reviewed and compared to the national mean and the range among the states.

### **K-3**

The committee determined that K-3 would be weighted to reflect the importance of, and state priority for, all children reading on grade level by third grade. The weight adds additional funding to the base amount for students in grades K-3.

	Total grade weights	Lower grade weights (K-3)
No. of states with grade weights	23	23
Range of grade weights	0.5–1.6519	0.5–1.6519
Median grade weight	1.0	0.5
QBE weight: K Grades 1-3		1.6356 1.2778
<b>Proposed Weight</b>		<b>0.2658</b>
Special notes	Eight states have two weights for early grades–kindergarten and grades 1-2.	

**Each student in grades K-3 would earn \$2,046.69 in the base. Using a weight of 0.2658, districts will earn an additional \$543.98 for each K-3 student.**

## **9-12**

Due to the cost of providing specialized classes to hone college and career skills, the preliminary consensus is to provide a weight for students enrolled in grades 9-12.

	Total grade weights	Upper grade weights (9–12)
No. of states with grade weights	23	15
Range of grade weights	0.5–1.6519	1.0–1.36
Median grade weight	1.0	1.2
QBE weight:		1.00 In QBE, grades 9-12 serve as the base.
<b>Proposed Weight</b>		<b>0.1876</b>

**Each student in grades 9-12 would earn \$2,046.69 in the base. Using a weight of 0.1876, each student enrolled in grades 9-12 would earn an additional \$383.90.**

## **CTAE**

The vision of the leadership in Georgia is to ensure that students are college and career-ready. To support this vision, the committee determined that students enrolled in CTAE courses would earn additional funding.

Twenty-four states provide additional weights or funding for career/technical education. In the four states that listed a dollar amounts per pupil, the amounts range from \$150 to \$4,750. Some states build the career & tech funding into their general allotments for middle and/or high school students. A few states provide funding for expenses/materials for career & technical education or for transportation to vocational schools. The preliminary consensus of the funding formula committee is that additional state funds are necessary to purchase the additional equipment and supplies necessary for successful CTAE classes to operate.

No. of states with Career & Tech Funding	24
Range of Career & Tech weights	0.05–2.0
Median Career & Tech weight	0.5
QBE Weight	1.1980
<b>Proposed Weight</b>	<b>0.1058</b>
Special notes	Two states provide total statewide or capped amounts for career & tech funding around \$3 million.

**In addition to the student base amount of \$2,046.69, a weight of 0.1058 provides an additional \$216.45 for each student enrolled in a CTAE class.**

## Students with Disabilities

The funding formula committee has discussed the possibility of collapsing the five categories currently funded in Georgia into three categories. Staff at Georgia Department of Education (GaDOE) are currently working on models that provide data on the amount of time specialized service is provided, the disability of the students, and the environment in which service is provided. The data will be used to reduce the current number of categories, presumably to three instead of five.

Forty-seven states identify students with disabilities—which mainly include learning disabilities—as a special category of students requiring additional funding. Sixteen states have multiple categories, which translate to different weighted or funded amounts, of SWD. Three states use a combination of alternative learning environment, gifted, and/or vocational to identify special education students. Among states that listed dollar amounts, funding values for SWD range from \$533–\$24,642 per pupil, with a median value of \$2,265. Four states fund SWD up to a certain percentage of the total student population. These percentages range from 5.0%–12.7%. Meanwhile, six states provide SWD funding in the form of full or partial reimbursements.

No. of states with SWD indicator	23
Range of SWD weights	0.03–5.7555
Median SWD weight	1.9
QBE Weight	Cat I – 2.3575; Cat II – 2.7518; Cat III – 3.5005; Cat IV – 5.6668; Cat V – 2.4358
<b>Proposed Weights</b>	<b>Cat I – 1.5160; Cat II – 2.9333; Cat III – 3.6157</b>
Special notes	Four states provide total statewide amounts for SWD funding ranging from \$161M to \$3.2B.

**In addition to the base amount of \$2,046.69, the weights for the categories listed in the table above will add the additional funding amounts to the base for each SWD student: Category I - \$3,102.70; Category II - \$6,003.56; Category III - \$7,400.13.**

## **ESOL**

The committee determined that students who need instruction in English should receive a weighted funding amount to support the additional instruction required. Forty-four states identify ELLs as a special category of the student population. Eleven states reported specific ELL funding, ranging in values from \$143–\$1,481 per pupil, with a median value of \$684.

No. of states with ELL indicator	41
Range of ELL weights	0.096–2.43
Median ELL weight	0.25
QBE Weight	2.4708
<b>Proposed Weight</b>	<b>0.1047</b>
Special notes	Six states provide total statewide and/or capped amounts for ELL funding ranging from \$450K to \$198M.

**To provide support to students learning English as a second language, a weight of 0.1047 is proposed. In addition to the base amount of \$2,046.69, each ESOL student would earn an additional \$214.29.**

## **Economically Disadvantaged**

The committee determined that it would be appropriate to include a weight for economically disadvantaged students. While twenty-two states use students eligible for free- or reduced-priced meals as an indicator, thirteen states use a combination of indicators which could include low income, pregnant, ELL, foster, delinquent, or underachieving youth. Preliminary consensus is to use Direct Certification (which includes SNAP and TANF enrollment, homeless students, foster students, and migrant students) as the identifier for this characteristic. In states that listed dollar amounts per pupil, funding amounts range from \$269–\$3,586 per-pupil, with a median value of \$782. The national average of the weights for this characteristic was determined to be 0.25.

No. of states with at-risk indicator	34
Range of at-risk weights	0.025–2.41
Median at-risk weight	0.25
QBE Weight	No weight currently included
<b>Proposed Weight</b>	<b>0.2500</b>
Special notes	Four states provide total statewide or capped amounts for at-risk funding ranging from \$24.4M to \$317M.

**In addition to the base amount of \$2,046.69, using 0.2500 as the ED weight and using Direct Certification as the identifying method, each economically disadvantaged student would earn an additional \$511.67.**

## Gifted

The committee determined that it was appropriate to provide a weighted funding amount for students identified and served as Gifted.

Thirty-four states identify gifted and talented students as a special student population that generates additional funding. While fourteen states specify a weight or dollar allocation per identified student, three of these states limit the additional amounts to a smaller percentage of the student enrollment—between 2.3% and 5%. Seven states identify gifted students as a special population but include funding for these students under other indicators (e.g., at-risk or SWD). Nine states offer block funding or reimbursements for gifted. Five states report statewide budgets for gifted students ranging from \$221K–\$2.6M, with the median value being \$250K. Three states use teacher allocations to account for gifted students. Student-to-teacher ratios for gifted teacher allocations range from 1000:1 to 3300:1.

No. of states with Gifted funding	33
Range of Gifted weights	0.01–1.6597
Median Gifted weight	0.15
QBE Weight	1.6445
<b>Proposed Weight</b>	<b>0.1058</b>
Special notes	

**In addition to the base amount of \$2,046.69, using a gifted weight of 0.1058, each student would earn an additional \$216.45.**

It should be noted that students can have multiple characteristics and will earn money based on each identifiable characteristic. The district will earn funding based on the characteristics of the students enrolled and may use the money flexibly to meet the needs of the students. The attached spreadsheet provides sample information on how multiple characteristics would affect the funding levels for students.

### Examples of Student Funding Using the Proposed Base and Weighted Student Characteristics

<b>Examples</b> (These examples do <u>not</u> include funding that would be added to the district for T&E under whatever method the committee decides to recommend. Neither do they include funding for state health benefits or TRS.)												
	Base	Grades K-3	Grades 4-8	Grades 9-12	CTAE	SPED Cat I	SPED Cat II	SPED Cat III	Gifted	ESOL	ED	Total
	\$2,046.68	\$543.96	\$0.00	\$383.89	\$216.45	\$3,102.68	\$6,003.52	7,400.09	\$216.45	\$214.28	\$511.67	
<b>CTAE Student Grades 9-12</b>	\$2,046.69			\$383.90	\$216.45							\$2,647.04
<b>Gifted First Grade Student</b>	\$2,046.69	\$543.98							\$216.45			\$2,807.12
<b>Special Ed Cat I 5th Grade</b>	\$2,046.69					\$3,102.70						\$5,149.39
<b>Third Grade ESOL Student</b>	\$2,046.69	\$543.98								\$214.29		\$2,804.96
<b>K SPED Cat III ED Student</b>	\$2,046.69	\$543.98						\$7,400.13			\$511.67	\$10,502.47
<b>Seventh Grade ED ESOL Student</b>	\$2,046.69									\$214.29	\$511.67	\$2,772.65
<b>ESOL CTAE ED Student Grades 9-12</b>	\$2,046.69			\$383.90	\$216.45					\$214.29	\$511.67	\$3,373.00
<b>Second Grade ED Student</b>	\$2,046.69	\$543.98									\$511.67	\$3,102.34

<sup>1</sup> It should be noted that this summary is based upon information found in several summary reports, state laws, and state department of education websites. In cases where summary reports conflicted with state laws or state department of education websites, the state resources are presented.