CASTING OUR VISION

The Lay of the Land
A Closer Look at Rural Tennessee Schools
Moving from Seats to Students: An Overview

Bryce Warden, Conexión Américas

• Introduction to the Tennessee Educational Equity Coalition
• Rural Education Report: A Profile of Schools
• The Basic Education Program – TN’s Current Formula
• How Does the BEP Affect Rural Schools?

Brian Rivas, The Education Trust-West

• [insert title of presentation here]

Questions & Call to Action
Who We Are

- Formed in spring 2016
- Network of over 2000 advocates and allies
- Intentional focus on students of color, and English Learners and those living in poverty
- Advocacy centered on 4 key policy priorities
- Led by a statewide Steering Committee
- Regional Presence across the State

tn educational equity coalition

CASTING OUR VISION
What We Do

- Convene: Regional meetings, connecting and building networks
- Inform: We develop & share data, research and policy recommendations on our 4 priorities
- Advocate: Statewide initiatives, subgrants, Day on the Hill, direct dialogue with decision-makers & policymakers
- Lead: The Mosaic Fellowship & Generation Lead
Policy Priorities

1. Excellent Teachers & Leaders for Every Child
2. Strong Accountability Systems
3. Appropriate & Equitable Resources
4. Successful Outcomes in Postsecondary Access & Success
Casting Our Vision: The Lay of the Land

- Geography Matters
- Consider Three Schools
- The Importance of Funding

**SIDEBAR**

**Consider Three Tennessee Principals**

**Suburban Principal**
- Median Household Income in the County: $103,503
- School Enrollment: 1,730
- Teacher Count: 99
- Additional Staff: 7
- EL Students: 7
- Starting Instructor Salary: $39,764
- Nearest Public Postsecondary Institution: 9 miles

**Rural Principal**
- Median Household Income in the County: $39,692
- School Enrollment: 879
- Teacher Count: 56
- Additional Staff: 3
- EL Students: 26
- Starting Instructor Salary: $36,950
- Nearest Public Postsecondary Institution: 24 miles

**Urban Principal**
- Median Household Income in the County: $52,458
- School Enrollment: 956
- Teacher Count: 65
- Additional Staff: 16
- EL Students: 106
- Starting Instructor Salary: $38,295
- Nearest Public Postsecondary Institution: 2 miles
The Basic Education Program

Funding formula, not a spending plan, that determines the funding level required for each school system to provide a common, basic level of service for all students.
The Basic Education Program

History
➢ Education Improvement Act (EIA), 1992

Important Aspects
➢ Four comprehensive categories with 46 components
➢ Contains equalization formula using two measures
➢ Keeps up with rising costs
➢ Leaves flexibility for districts
Central Assumption of Need in BEP

The Basic Education Program is driven by ADM, or Average Daily Membership. All of the funding formula’s components – from number of teacher positions to funding for textbooks – is based upon each district’s (not school’s) Average Daily Membership.

Conceptually, the BEP determines a student and a school’s need based on this ADM, and in particular whether the numbers of student groups, or packages.

✓ Student ADMs generate (1) positions – teachers, assistants, etc. and (2) funding (ADMs x Unit Costs for supplies, textbooks, etc.)
✓ The number of students within a calendar year is weighted.

Growth funding is also accounted for outside of the BEP, based on current year growth.
Four Funding Categories

<table>
<thead>
<tr>
<th>Component</th>
<th>Example</th>
<th>State/Local Share Averages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Instructional Salaries</td>
<td>• Number of English Learner Instructors&lt;br&gt; • Number of General Content Teachers</td>
<td>• State: 70%&lt;br&gt; • Local: 30%</td>
</tr>
<tr>
<td>2. Instructional Benefits</td>
<td>• Retirement&lt;br&gt; • Social Security</td>
<td>• State: 70%&lt;br&gt; • Local: 30%</td>
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<tr>
<td>3. Classroom Components</td>
<td>• Textbooks</td>
<td>• State: 75%&lt;br&gt; • Local: 25%</td>
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<tr>
<td>4. Non-Classroom Components</td>
<td>• Superintendent Position&lt;br&gt; • Technology Coordinator&lt;br&gt; • Capital Outlay</td>
<td>• State: 50%&lt;br&gt; • Local: 50%</td>
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</table>
BEP’s Equalization or “Equity” Component

To equalize funding across districts with varied levels of fiscal capacity, the formula employs an equalization formula. The formula – using two measures – attempts to capture each county’s (not district’s) ability to locally fund education.

**Equalization Measures (weighted 50% each)**

1. Tennessee Advisory Commission of Intergovernmental Relations (TACIR) Model
2. UT Center for Business and Economic Research (CBER) Model (newer)

Fiscal Capacity, using these two measures, is determined as an index measure (ranging 0 to 100).

These “equity” components measure fiscal capacity of counties, but do not consider the students within each district in its formula.
Equalization Models

TACIR model – goal is to estimate (regression-based) the dollar amount per pupil each county can raise, based on these criteria:

- Own-source revenue per student
- Property assessment per student
- Taxable sales per student
- Per capita income
- Tax Burden
- Service Burden

CBER model – goal is to estimate each county’s relative ability to fund education based on each county’s local option sales tax and property tax:

- Local option sales tax
- Local property tax
- Multiplies these rates by the average tax base statewide

TACIR (50%) + CBER (50%) = Index Score (0-100) for Every County
<table>
<thead>
<tr>
<th>System</th>
<th>50/50 INDEX</th>
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Basic Education Program cont.

- **Cost Differential Factor**
  - Applies to counties with higher than average wages
  - BEP 2.0 eliminated CDF, but qualified counties still receive 25% of funds

- **Inflation-Adjusted**
  - Year-to-year

- **District Flexibility**
  - School boards
How does the BEP affect rural schools?

**First:** Rural schools lose under the BEP’s central assumption of “need”.

Many rural districts have smaller ADMs than urban districts. A *comparison of key urban districts* and *districts in Tennessee’s distressed counties* exemplifies this shortcoming.

![Average Daily Membership](chart)

**SOURCE:** Tennessee Department of Education, 2017-18

*Urban districts include districts in Shelby, Knox, Davidson and Hamilton Counties, and the Achievement School District.

**Distressed counties are identified by the Appalachian Regional Commission, with 15 of Tennessee’s counties being designated distressed for 2020 fiscal year.*
How does the BEP affect rural schools?

**Second:** The equalization formula falls short in promoting funding equity.

- **County** fiscal capacity, not districts within counties
  - 95 counties, 140+ districts
- Fails to account for the varied capacities to fund or fundraise beyond the state allocation
  - Consider median household income
- Does not consider student groups served in its fiscal capacity equalization
  - Provides funding for positions based on aggregate number of students, but overlooks the needs of certain student groups. *Urban districts and distressed counties serve similar proportions of low-income students in their district’s student body, but this is not truly captured in the BEP formula.*

![Bar chart: Portion of District’s Identified Low-Income Students](source: Tennessee Department of Education, 2017-18)
Additional Shortcomings that Affect Rural Schools

**Third:** The formula treats schools as “monoliths”, not taking into account the differing needs of K-3, K-8, and/or 9-12 schools.

- Research shows that gaps in student achievement and success begin early. Under BEP, schools serving students from K to 12 are not adjusted differentially.

**And fourth:** The BEP is a funding formula but not a spending plan. *Districts have flexibility in their state spending, and these allocations are not always transparent.*
What’s Next?

**Altering School Funding Structures in Tennessee:**

- Revise the Basic Education Program to address specific student and school need.

- Consider Student-Based Budgeting at the district level.
California’s Local Control Funding Formula

Brian M. Rivas
Senior Director, Policy and Government Relations
The Education Trust—West
July 29, 2019
How did California’s Local Control Funding Formula (LCFF) come about?

“Getting Down to Facts” (2007-08) – education research project at Stanford University Center for Education Policy

Key Concepts:
• it costs more to educate some students with greater needs
• concentration of needy students creates added challenges
• California’s previous funding system was too complicated and inequitable

“Equal treatment for children in unequal situations is not justice.” Governor Jerry Brown (D-California), 2013 State of the State Address
California’s Old Funding System – Revenue Limit

- Revenue Limit – base amount for general purposes on per student basis
- Categorical program funding – detailed rules on permissible uses, stringent reporting requirements, over 50 programs

Problems

- Inequitable – treated all students similarly
- Inflexible – LEAs could not move money around to meet their biggest needs
What is the LCFF?

The Local Control Funding Formula is the way in which California distributes state education funding to charter schools, county offices of education, and school districts. Created in 2014 to improve equity in distribution of education funding.

Key Components:

- **Base Grant** – general purpose funding for all students
- **Supplemental Grant** – 20 percent of base grant for English learners, Foster Youth, and Low-income students
- **Concentration Grant** – In districts where at least 55 percent of students are high need, those high-need students above the 55 percent enrollment threshold generate an extra 50 percent of the base grant

Supplemental and concentration funds must be used to increase or improve services for targeted students.
Challenges for Governor and Legislature in Creating the Formula

• **Winners and Losers** – Redistribution of current funding means some districts get less

• Fix – hold harmless, no LEAs receive less than amount received in 2013

• **Not enough funding available to provide all supplemental and concentration funds** according to student population

• Fix – phase-in formula over several years
Implementation Challenges

How much must be spent in supplemental and concentration grants when insufficient funding for all of these grants?

• Proportionality Calculation – LEAs required to calculate how much based on enrollment, funding, and how much was spent in prior year on targeted students

• Major challenge for transparency because LEAs determined how much must be spent on English learners, Foster youth, and Low-income students
Local Control Accountability Plan (LCAP)

Intended as locally based accountability – LEAs and communities identify needs, develop plan, chart progress together

Problem – Purpose and Intended Use Not Defined Explicitly

Confusion over whether LCAP is:

• **Encyclopedia** – place to look things up?

• **Strategic Plan** – summary of plans to achieve strategic goals?

• **Engagement Tool** – explain to communities what is happening?

• Final product does not do any well
Problems with LCAPs

- Length – hundreds of pages
- Format – not user friendly
- Multi-year document added length and LEAs repeat information
- No one reads them
Does LCFF target the right groups?

• California Constitution prohibits consideration of race and gender
• LCFF is racially blind
• Raises question – is it adequately serving African Americans?
• Approximately 90,000 African Americans who are not English learners, foster youth, or low-income
• Yet, African Americans in California are consistently lowest performing subgroup according to standardized tests
Accountability and Success of LCFF

• When LCFF was created, LEAs were told they would be accountable for use of funds according to eight state priorities and 26 metrics
• California failed to define explicitly definition of success and what metrics would be used
• Is it successful? – Depends on who you ask
• California Department of Education and State Board of Education – LCFF is working, graduation rates are up and completion of coursework required for UC and CSU is up
• Advocates – we can’t determine how supplemental funding was used and persistent gaps in English language arts and math test scores remain
Positive Effects/Outcomes

1 – Unprecedented engagement with communities
2 – Sharpened focus on targeted students and closing opportunity gaps
Important Lessons
• Explicitly define what will be used to define success
• Do not use California’s LCAP
• Anticipate incremental change
Follow-up Questions

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 • (916) 761-9060
Questions?
What’s Next For You?

1. How does the BEP Affect Your District?

2. Learn more about Student-Based Funding.

3. Call your legislator.

4. Join our Coalition to advocate for funding equity.
Questions or Feedback?

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