

Student-Based Funding

Presentation to the Joint Legislative
Task Force On Education Finance Reform

March 15, 2018



Union Academy Charter School

Dr. Ann Walters, Headmaster

- Monroe, NC (Union County)
- Opened in 2000
- Approx. 1,700 K-12 students
- 2016 National School of Character
- 2016 North Carolina School of Character



Union Academy Charter School

Lynn Kroeger, CPA
Chief Financial Officer

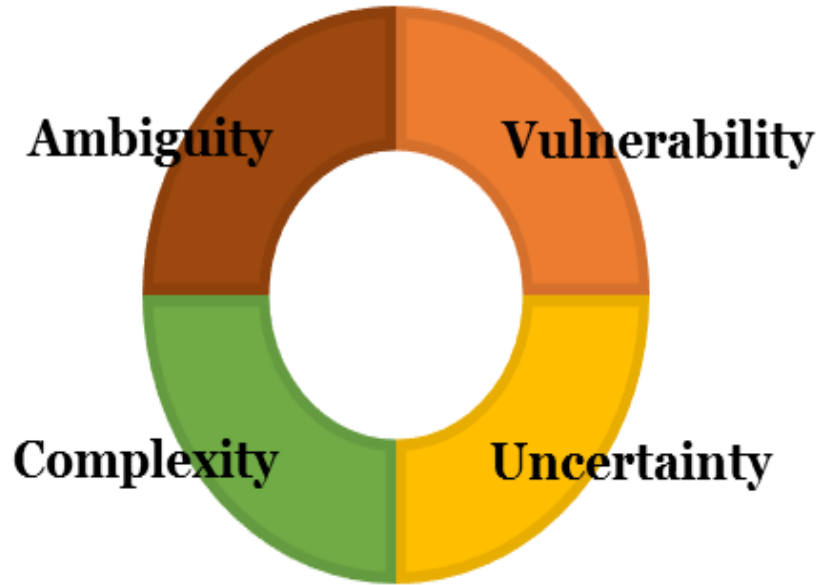
- Focus on equitable, student-based funding
- Fair for all schools/districts

NC Education Ranking

Education Week's annual "Quality Counts" survey (January 2018)

- NC overall ranking: 40th among the 50 states and District of Columbia
- NC school finance ranking: 39th

Current Funding: Resource Allocation Model



Current Funding: Resource-Based Model

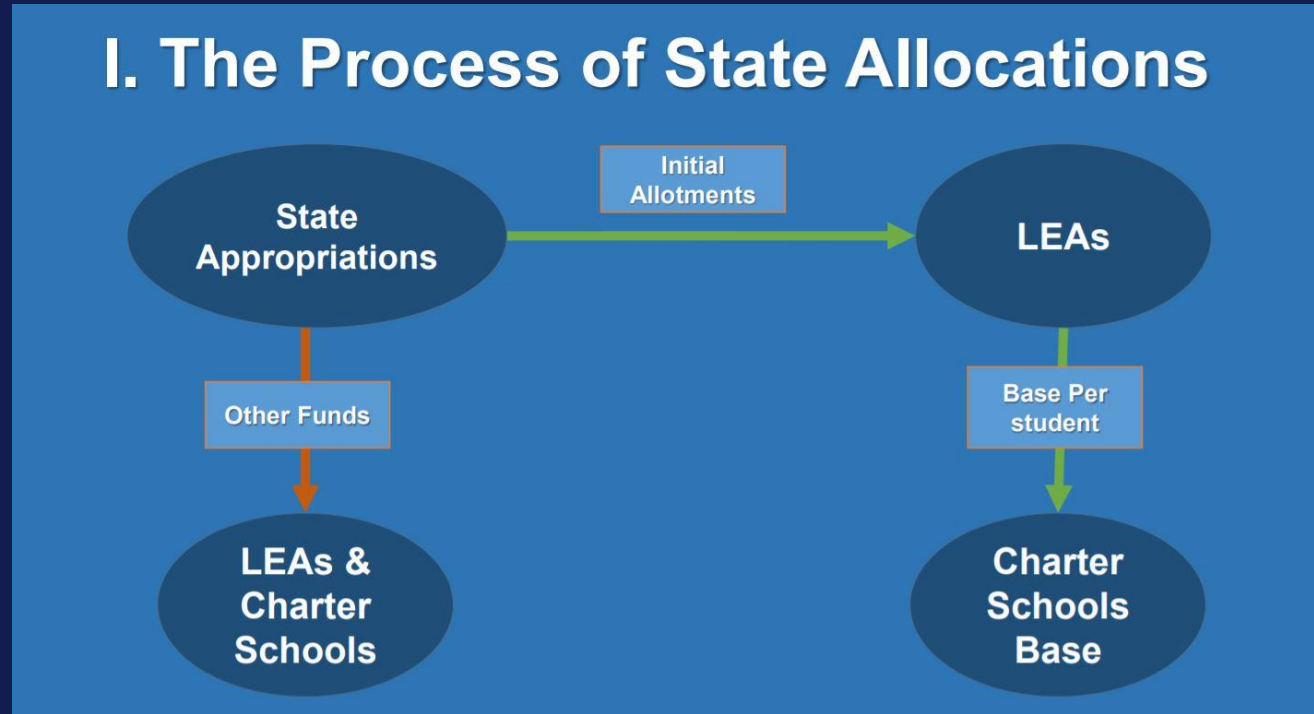
Instructional Personnel and Support Services		
Category	Basis of Allotment (Funding Factors are rounded.)	Allotted Salary + Benefits
Classroom Teachers		
Grades Kindergarten	1 per 18 in ADM	LEA Average
Grade 1	1 per 16 in ADM	
Grades 2 - 3	1 per 17 in ADM	
Grades 4 - 6	1 per 24 in ADM	
Grades 7 - 8	1 per 23 in ADM	
Grade 9	1 per 26.5 in ADM	
Grades 10 - 12	1 per 29 in ADM	
Math/Science/Computer Teachers	1 per county or based on sub agreements.	
Teacher Assistants	The number of classes is determined by a ratio of 1:21. K - 2 TAs per every 3 classes; Grades 1-2 - 1 TA for every 2 classes; and Grade 3 - 1 TA for every 3 classes	\$35,171
Instructional Support	1 per 218.55 in ADM	LEA Average
School Building Administration		
Principals	1 per school with at least 100 ADM or at least 7 state paid teachers or instructional support personnel. Schools opening after 7/1/2011 are eligible based on at least 100 ADM only.	LEA Average
Assistant Principals	1 month per 98.53 in ADM	LEA Average
Career Technical Ed. - MOE (LIMITED FLEXIBILITY- Salary Increase)	Base of 50 Months of Employment per LEA with remainder distributed based on ADM in grades 8-12.	LEA Average
Classroom Materials/Instructional	\$ 30.12 per ADM plus \$2.69 per ADM in grades 8 and 9 for PSAT Testing	

Allotment
per student
from all
funding
sources
varies
across LEAs
by nearly
\$10,000



UNION ACADEMY
Challenge. Character. Community.

Current Funding: Resource-Based Model



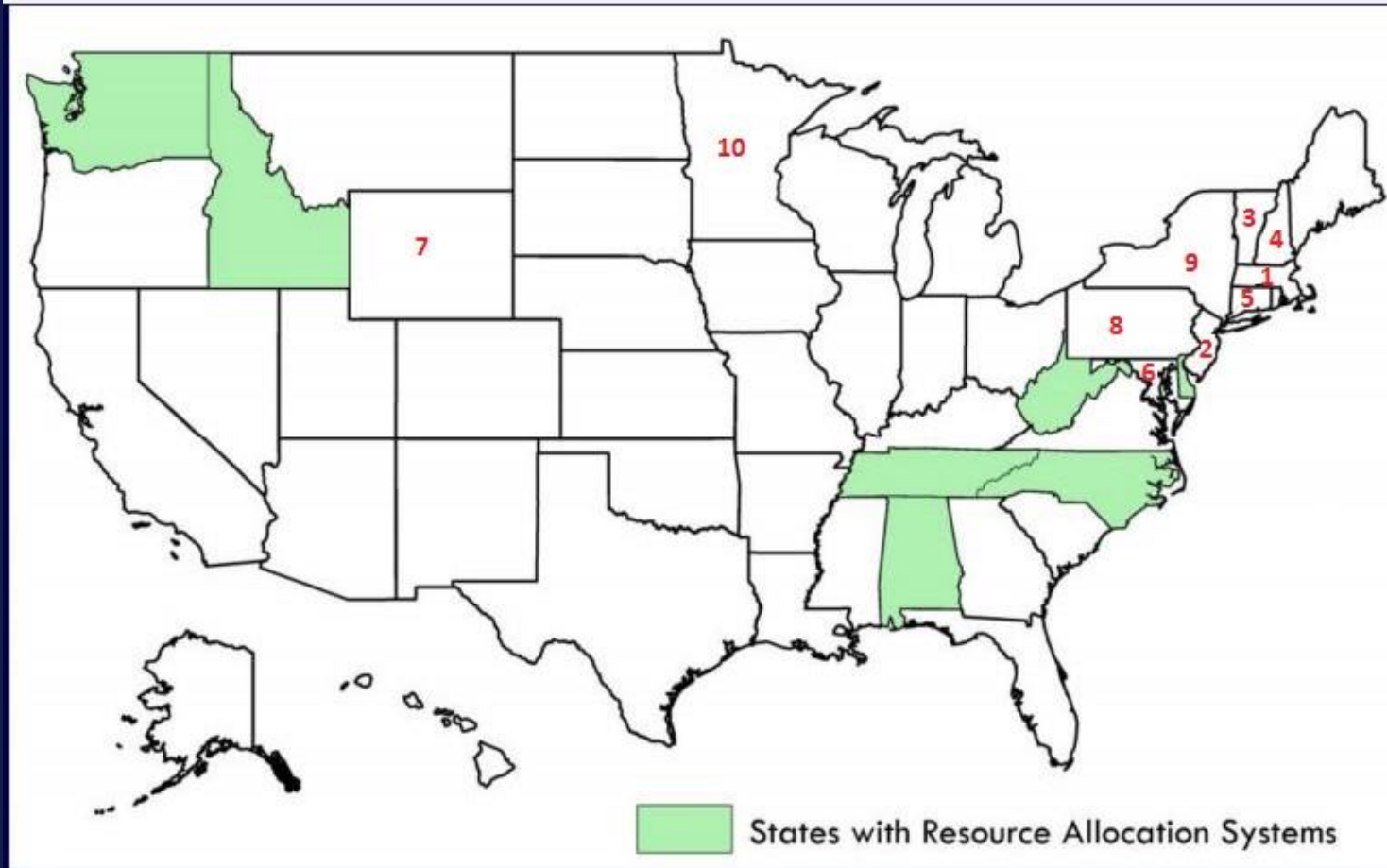
Source: NC DPI presentation
February 22, 2018

Funding based on ADM

Inequity between Traditional and Charter

LEAs receive funded ADM based on the <u>highest</u> of the following:	Charter Schools receive funded ADM based on the <u>lowest</u> of the following:
Projected ADM calculated by DPI	Projected ADM submitted by charter schools
Previous year, first month's ADM	Current year, first 20 days' ADM
Previous year, second month's ADM	

Few States Still Use a Resource Allocation Model



Source: Final Report
to the Joint
Legislative Program
Evaluation Oversight
Committee Report
Number 2016-11 -
page 57

Current Funding: Resource-Based Model

Exception Children's (EC) Funding

- Second largest distribution to LEA's
- Exceptional (EC) funding cap at 12.5%

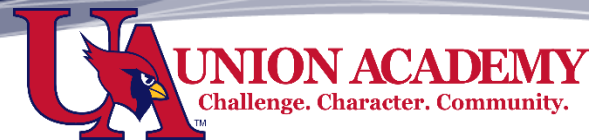
Current Funding: Resource-Based Model

English Language Students

- LEA/Charter school must have at least 20 students or at least 2.5% of ADM

Low Wealth Counties

Disadvantaged Students



Consider: Student-Based Funding

Not about
MORE funding
but.....

FAIR Funding



Consider: Student-Based Funding



Creating funding equity
through student based
budgeting

Consider: Student-Based Funding

Dollars are allocated for each child:

All budgeting is

- Easily understood
 - Clearly comparable
 - Open and transparent.
-
- All schools - and students - are treated fairly and equitably.

Consider: Student-Based Funding

Dollars follow the students based on student need.

Three key principles:

- Equity
- Flexibility
- Transparency

Consider: Student-Based Funding

Current system:
Based on staffing
resources.

Equity:

Student-Based:
Based on
individual's need



Consider: Student-Based Funding

Flexibility:

Current system: State allocations are made at the district level based largely on student numbers

Student-Based: Funds can be spent on staff or resources based on school-specific needs.

Consider: Student-Based Funding

Transparency:

Current system: Funding model is confusing and is not student-centered.

Student-Based: Funding is based specifically on the needs of each student

Core Components of Student-Based Funding

Base Amount

Covers the costs associated with educating a general student

Base

Base derived from the cost of a basic education for a general 9-12 grade student:

\$7,500

Weights

Student characteristics provide additional funding relative to the base amount

Weights

Grade

K-3

3-5

6-8

Weight

.19

.13

.06

Student Characteristics

Weight

Limited English Proficiency

.38

At-risk Students

.54

Children with Disabilities

.98

Consider: Student-Based Funding

Principle	Description
Student-focused	Provides resources based on students, not on buildings, adults, or programs
Equitable	Allocates similar funding levels to students with similar characteristics, regardless of which school they attend
Transparent	Easily understood by all stakeholders
Differentiated	Allocates resources through a comprehensive framework that is based on student needs
Predictable	School allocation process is predictable and is structured to minimize school-level disruption
Empowering	Empowers school-based decision-making to effectively use resources
Aligned with district strategy	Supports the district's multiyear strategic plan

Source: Education Resource Strategies

Consider: Student-Based Funding

Instead of
funding this:

Allotment Process

Initial Allotments

DPI first distributes
funding to LEAs in
19 PRCs
\$7.7 billion
FY 2014-15
(92% of all allotted
resources)

PRC 001
Classroom Teachers
\$3,868,846,015

PRC 032
Children w/ Special Needs
\$716,185,033

PRC 007
Instructional Support
\$441,688,552

PRC 013
Career & Tech Education
\$412,689,428

PRC 027
Teacher Assistants
\$357,681,307

PRC 003
Non-Instructional Support
\$349,746,369

PRC 056
Transportation
\$328,542,677

PRC 005
Building Administration
\$299,225,440

PRC 069
At-Risk Student Services
\$278,130,136

PRC 031
Low Wealth Supplement
\$199,750,853

PRC 002
Central Administration
\$93,216,875

PRC 024
Disadvantaged Students
\$80,275,421

PRC 054
Limited English Proficiency
\$76,313,509

PRC 034
Academically Gifted
\$74,593,189

PRC 019
Small County Supplement
\$42,396,749

PRC 061
Classroom Materials
\$41,973,340

PRC 012
Drivers Training
\$26,307,358

PRC 130
Textbooks
\$21,631,048

PRC 014
Career & Tech Ed
\$20,016,175

Other State Allotments \$672 million 8% of state resources

PRC 036
Charter Schools
\$369,947,769

PRC 039
School Resource Officer
\$6,460,251

PRC 015
School Technology Fund
\$35,726,800

PRC 030
Digital Learning
\$683,283

PRC 016
Summer Reading Camps
\$25,051,779

PRC 025
Indian Gaming Fund
\$460,396

PRC 055
Learn and Earn
\$24,745,499

PRC 042
Support Teams: Nurses
\$3,966,107

PRC 073
School Connectivity
\$9,499,970

PRC 043
Support: Social Workers
\$6,085,433

PRC 039
Behavioral Support
\$11,104,530

PRC 046
Assistant Principal Fellow
\$544,236

PRC 120
Purchase School Buses
\$42,226,130

PRC 067
Assistant Principal Interns
\$2,348,856

PRC 063
Children w/ Special Needs
\$26,745,329

PRC 040
After School Grant
\$4,784,539

PRC 085
eClass Reading 3D
\$348,400

PRC 096
Special Position
\$746,338

PRC 041
Panic Alarm Grant
\$664,908

PRC 095
Special Dollar Allotment
\$424,483

Allotment Revisions

After distributing the initial 19 allotments, DPI allocates the remaining 8% of state funds and all federal funds through the revision process. The original 19 allotments are also adjusted for other purposes.

- Revisions do the following: 1) Add or subtract funds from the initial allotments 2) Allocate funding for the 31 federal PRCs 3) Allocate funding for the remaining 19 state PRCs that are not part of the initial 19 PRCs
- 50 revisions took place during the FY 2014-15 with as many as 6 revisions occurring per month
- \$1.6 Billion = Total Amount of Revisions in FY 2014-15
- Examples of the main revisions that occur include the following: New and Growing Charter School Adjustments; ABC Transfers (legislated ability to move money between some PRCs); Carry-Over; Funding for other state allotments

Post Revisions Initial Allotments

PRC 001	PRC 032	PRC 007	PRC 013	PRC 027	PRC 003	PRC 056	PRC 005	PRC 069
Revision: \$3,797,492,793 Difference: -\$7,125,3276	Revision: \$712,956,438 Difference: -\$3,228,595	Revision: \$440,030,434 Difference: -\$1,658,118	Revision: \$380,078,344 Difference: -\$326,11,138	Revision: \$311,643,698 Difference: -\$46,037,609	Revision: \$380,141,606 Difference: \$30,395,237	Revision: \$434,378,133 Difference: \$105,835,436	Revision: \$300,507,408 Difference: \$1,281,968	Revision: \$289,705,544 Difference: \$1,575,408
PRC 031	PRC 002	PRC 024	PRC 054	PRC 034	PRC 019	PRC 061	PRC 012	PRC 130
Revision: \$22,469,094 Difference: \$2,494,241	Revision: \$92,963,003 Difference: -\$253,872	Revision: \$71,615,257 Difference: -\$6,661,164	Revision: \$57,605,840 Difference: \$76,313,509	Revision: \$405,14,886 Difference: -\$3,407,830	Revision: \$44,464,969 Difference: \$2,068,220	Revision: \$57,397,873 Difference: \$15,424,533	Revision: \$26,307,354 Difference: -\$4	Revision: \$663,922 Difference: -\$20,967,120
PRC 014	PRC 056	PRC 005	PRC 069	PRC 001	PRC 032	PRC 007	PRC 013	PRC 027
Revision: \$37,880,266 Difference: -\$17,064,191	Revision: \$26,307,354 Difference: -\$4	Revision: \$663,922 Difference: -\$20,967,120	Revision: \$57,397,873 Difference: \$15,424,533	Revision: \$44,464,969 Difference: \$2,068,220	Revision: \$405,14,886 Difference: -\$3,407,830	Revision: \$57,605,840 Difference: \$76,313,509	Revision: \$71,615,257 Difference: -\$6,661,164	Revision: \$92,963,003 Difference: -\$253,872

Federal Allotments \$844 million

- 31 PRCs distributed Federal funds
- 6 PRCs - based on Title I funding. Provides financial assistance to local educational agencies (LEAs) & schools with high numbers or high percentages of children from low-income families to help ensure that all children meet challenging state academic standards.
- 7 PRCs - based on Title VI funding. The Disabilities Education Act (IDEA) distributes federal special education funds through three state grant programs & several discretionary grant programs. Part 8 authorizes grants to state and local education agencies to offset part of the costs of the K-12 education needs of children with disabilities; it also authorizes preschool state grants.
- 20 remaining PRCs account for 14% of federal allotments
- Distribution determined by Federal Government



Fund our Kids Fund our Future



Thank you.
Questions?

