



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.”

The Adequacy Question and School Funding

The question of adequacy must be addressed prior to implementing 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. AIR’s approach uses elements of all four approaches, with professional judgment 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). These two researchers have completed a study in the state of New York (2004) that emphasizes the professional judgment model, while also using selected elements from the other methods.¹

A Comprehensive Study Design

The AIR approach includes five distinguishing features: **public engagement** meetings, identification of schools that are **beating the odds**, the use of **multiple professional judgment panels**, the explicit **inclusion of students with disabilities** in the adequacy models, and a system of **checks and balances** on the incentives for educators.

The comprehensive study has six phases.

Phase 1: Public Engagement. Public engagement involves organizing meetings 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. Public engagement helps promote public awareness of the adequacy study and helps establish buy-in among key constituencies. This is accomplished by involving non-educators together with educational professionals in reaching an agreement about the desired results on which the entire study is based.

Phase 2: Convene Professional Judgment Panels (PJPs). The AIR team selects members for four to eight PJPs representing clusters of districts that are facing different levels of pupil needs and access to resources. Each panel operates independently and includes professional educators with experience designing and implementing instructional programs. Membership of the panels traditionally includes superintendents, school principals, school business officials, special educators, and teachers serving high poverty and English language learner populations. Highly qualified educators are selected through nomination processes and from identifying individuals from schools that are **beating the odds** (i.e., analysis that helps us to identify the schools exhibiting the greatest success in serving various populations of students with special needs such as those living in poverty, with disabilities, or English language learners). Each panel is asked to design instructional programs to meet the outcome and learning standards for students established during Phase 1. By using **multiple panels**, we obtain a wide variety of perspectives on adequacy. Benchmark analysis of existing staffing patterns in *successful schools* along with a review of the literature of *best practices* is provided to the PJPs in advance of their deliberations. We engage nationally recognized programmatic experts to provide the *best practices* literature review. The models we develop explicitly **include students with disabilities** which is not common among research teams doing these adequacy studies. Chambers and Parrish have a long history of experience with special education finance through operation of the Center for Special Education Finance at AIR.

Phase 3: Analysis. The simulation model and other techniques are used to produce a synthesis of results from the initial round of PJP meetings. PJP representatives are reconvened to help the AIR team to interpret and synthesize the results of these analyses. In addition, supporting studies on geographic variations in education costs, estimated

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overhead rates for central administration, and the cost of maintenance and operations services are added to the simulation. If desired, analysis of home-to-school transportation and the costs of school facilities are also 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 desired results specified 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. We convene a *Stakeholders' Panel* comprised of PJP representatives along with 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 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.

The *Stakeholder Panel* provides **checks and balances** on the professional judgment process. The PJP members are informed early that they will have to justify their work in front of a larger stakeholder panel made up of non-educators interested in education finance. By requiring the PJPs to explain and justify their decisions about instructional programs and the resource specifications that underlie the costing out analysis, the stakeholder process creates an incentive for the educators to specify only what they believe they truly need to achieve the desired results specified in the public engagement part of the process.

Phase 6: Produce Final Report. Final recommendations regarding adequacy standards for the state are a product of 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 in the design of a school funding formula.

Assuring Constitutional Compliance

AIR's comprehensive process has been designed to define in a fair and equitable manner 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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