

The Ohio Coalition for

Equity & Adequacy

Of School Funding

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Determining the Cost of an Adequate Education

The question is often asked, "How much does it cost to educate a student?" The answer depends on what learning opportunities are provided, the developmental level and aptitude of the student, and the expected outcomes at various grade levels and at graduation. Broad comprehensive services, programs and curricular offerings, designed to meet pupil needs, have a higher price tag than the run-of-the-mill offerings characteristic of the majority of school districts. A child entering kindergarten or first grade who is developmentally behind due to disadvantaged home circumstances and/or personal disabilities, will cost more to educate than a regular student. A student who is expected to achieve 12th grade proficiency level before graduation will cost more than if only a 9th grade proficiency is required.

Ohio has defined expectations, primarily, in terms of academic proficiency levels at various grades including one for high school graduation. However, Ohio has not specified the learning opportunities that must be available to students in order for them to pass the required state-testing program and to successfully matriculate into higher education and/or the world of work.

Historically, the state appropriation for public K-12 education has been established on a political basis independent of student needs. The state appropriation level then has determined the calculation for the per pupil base support without regard for the needs of students. The per pupil base support in combination with the disparate amounts of local revenue among school districts determines the scope and depth of educational opportunities that can be made available in each district.

The final report of the Joint Select Committee to Study Ohio's School Foundation Program and the Distribution of State Funds to School Districts, issued January 22, 1991, pinpointed the major flaw in the state's approach to determining the level of school funding. On page 6 of the report is stated, "The foundation's per pupil level should have some reasonable relationship to the cost of a quality basic program efficiently provided and some objective method of determining how it should be developed. The per pupil funding level is now set during deliberations on the biennial budget and is widely considered to represent a level determined after deducting for other educational and non educational program costs." Hence, this bipartisan, bicameral legislative committee acknowledged that there was no relationship between per pupil funding level and the cost of an adequate education in Ohio. The Court labeled the state's approach as "residual budgeting". The state has continued the practice of "residual budgeting". There is still no relationship between the per pupil base support level and the actual cost of an adequate education.

After the first Supreme Court ruling on school funding on March 24, 1997 (*DeRolph I*), the state engaged a school finance expert to calculate the cost of an adequate education. This expert, Dr. John Augenblick, used a "successful schools" method to accomplish his assigned task. The success of this methodology is predicated on an accurate analysis of the expenditures of schools that are truly successful. Skill and integrity are required in the selection of "successful" schools. Dr. Augenblick used arbitrary criteria related primarily to proficiency test data to select

school districts for the analysis. He arbitrarily removed the five percent highest and lowest school districts in personal income and property valuation per pupil. This maneuver skewed the results toward a lower per pupil base support. Additionally, the state, at the time of his analysis, had rated only 30 districts as "effective" but Dr. Augenblick identified 102 "successful" districts for the analysis.

Lawmakers decided the per pupil base support Dr. Augenblick calculated was too high and proceeded to change the criteria for selecting "successful" districts in ways to lower the per pupil base cost number. This lower per pupil base cost required a higher state appropriation than was pre-determined by the lawmakers so they began with an even lower number and phased in their calculated amount over a four year period. Obviously, the Court noted these games being played by the state. The system again was declared unconstitutional on May 11, 2000.

In the September 2001 *DeRolph III* decision, the Supreme Court identified the schemes the State Defendants used to arbitrarily lower the per pupil base support level. Although this *DeRolph III* decision was vacated by the December 2002 *DeRolph IV* decision, the third decision exposed the state's ongoing propensity to manipulate the numbers to lower the cost of an adequate education.

There are limited numbers of methodologies that experts use to determine the cost of an adequate education. The two most often used are the "successful schools" and the "professional judgment". A high degree of integrity must be employed in the use of both methods. The "successful schools" approach must be premised on a process that sorts out for purposes of expenditure analysis only districts that are truly effective in terms of both learning opportunities and student outcomes. The "professional judgment" approach is premised on a process in which professionals in the field of education identify the learning opportunities (curriculum, staffing, programs, facilities, equipment and services) that are inherent in effective schools. These components must then be costed out to derive a per pupil base support level. Either of these approaches or combination of them, if used with integrity, would yield the cost of an adequate education for Ohio students.

The school funding problem in Ohio will not be solved until the state accurately determines the cost of adequacy and then appropriates sufficient revenue to cover the cost. The "residual budgeting" approach resulted in the system being declared unconstitutional in March 1997. It has remained unconstitutional since that time. It is time for Ohio's Governor and legislature to step up to the plate and solve the school-funding problem. The old failed system of beginning with an arbitrary appropriation and then backing into a per pupil base cost to spend the appropriation has not worked and will not work.

A complete systematic overhaul as ordered by the Court is required. The overhaul process must begin with an accurate determination of the cost of an adequate education.

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