American Institutes for Research (AIR) Report on the Weighted Student Formula

Hawaii State Board of Education

Finance and Infrastructure Committee

Tuesday, June 18, 2013

Agenda Item IV.A

Who is AIR?

The American Institutes for Research in the Behavioral Sciences

- AIR is one of the world's largest behavioral and social science research organizations, with more than 1,600 employees.
- Founded in 1946 as a non-profit organization to conduct independent, objective, non-partisan research.

Who was on the Evaluation Project Team from AIR?

- Dr. Jay Chambers (co-principal investigator)
- Dr. Jesse Levin (project director)
- Dr. Bruce Baker (consultant only)
- Dr. Diana Epstein
- Several additional researchers and staff members

Why was the study commissioned?

- On September 1, 2011 the Committee on Weights (COW) VII recommended to the Board, "that the Department contract an expert to evaluate implementation and effectiveness of Hawaii Revised Statutes, Chapter 302A-1303.6 Weighted Student Formula (WSF)."

- On September 20, 2011 the Board of Education accepted the recommendation.

How was evaluation conducted?

- Survey issued to all principals
- Interviews with several key stakeholders
- Quantitative analysis of fiscal data

Question 1 – How was the WSF originally developed, and what changes to the formula have been made since its initial implementation in 2006–07?

1. Amount allocated to schools through the WSF from FY2006-07 to FY2012-13 has increased by 11.3%.
2. Average share of the DOE's general fund budget allocated by the WSF since inception was 52%, ranging from 49% in FY2007-08 to 54% in FY2012-13.
3. Variables used in the WSF by fiscal year can be found on the last slide.

Question 2 –How have other states and districts incorporated weights and WSF structures into their funding systems?

Fifteen states, including Hawaii, address all or most of five areas when considering funding weights:

1. Additional needs of special education
2. Low income
3. English language learner
4. Gifted and talented student populations
5. Small size of operations and geographic isolation.

Question 3 – What do the perceptions of principals and stakeholders tell us about the extent to which Hawaii's WSF has:

1. Increased school discretion over funding and the degree to which the local community participates in decision making pertaining to budgeting and planning;

2. Improved innovation and accountability of school leadership;

3. Promoted equity and transparency in how funding is allocated to schools.

Principals' Attitude & Perspectives

1. Agree funds are equitably distributed.
2. Do not agree their funds are sufficient.
3. Most agree they have discretion over the funds.
4. Only one-third say they have enough flexibility for innovation or new programs.
5. Agree that ultimately, they – not the SCCs – are responsible for student performance.

Stakeholder Attitudes & Perspectives

1. Almost all respondents were aware of the goals of the WSF policy.
2. About two-thirds thought that equity was a goal of the policy.
3. About half thought that a goal was autonomy and flexibility for school leaders.
4. There was wide variation in stakeholders' understanding of how much of a school's resources come from WSF funds.

Sufficiency, Autonomy, and Resource Allocation

1. About half of the respondents said that WSF funding was not sufficient to achieve the desired student outcomes.
2. More than half suggested funding was insufficient to achieve desired student outcomes for small and isolated schools.
3. Respondents were divided on whether school leaders have the autonomy to make a difference in student learning.

Capacity, Support and Communications

1. Most said *state and complex areas* have necessary staffing to support school-level implementation of WSF.

2. Only half felt the same way about staffing at the school level.

Transparency, Understanding & Involvement of School Community

1. Almost all felt WSF calculations and process are transparent.

2. School-level misconceptions appear connected with the insufficiency of available funds rather than the WSF approach itself.

Accountability and Innovation

1. Nearly half felt that there's been an increase in innovation and efficiency as a result of WSF.

2. Some suggested limits on funding play a role in hampering innovation.

Question 4 – Has there been significant improvement in the equity with which resources are allocated to schools?

1. Funding equity has increased with WSF whereas prior to WSF, there was no statistically significant pattern with regards to funding equity.
2. Funding predictability has improved.
3. Sizeable funding weight for student need.

Question 5 – What have been the major successes and challenges in the implementation of the Hawaii WSF since its inception?

- Implementation of Hawaii's WSF has been met with a host of major successes and continued challenges that should be reflected upon to inform future changes to the policy.

WSF Successes

1. Significant and sustained commitment to WSF.

2. WSF principals have significant flexibility, discretion over spending at their schools.

3. Development of SCCs, which have increased community involvement.

4. Improved understanding of the WSF goals and process.

WSF Challenges

1. Levels of WSF funding not sufficient to cover operations and implement innovation.

2. Ensuring WSF weighting factors accurately reflect differential in costs.

3. Determining appropriate split between central office and school level.

4. Federal policy barriers to implementation.

5. Level of discretion over staffing at school level.

Weighting Factors and Nonweighted Funding Support Changes Since WSF Implementation (2006–07 to 2012–13)

WSF Weighting Factor	Year						
	2006–07	2007–08	2008–09	2009–10	2010–11	2011–12	2012–13
Student Characteristics							
K–2 Students	0.012	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
English Language Learner	0.2630	0.2100	---	---	---	---	---
FEP	---	---	0.0590	0.0582	0.0535	0.0560	0.0546
LEP	---	---	0.1780	0.1745	0.1604	0.1670	0.1639
NEP	---	---	0.3560	0.3491	0.3209	0.3340	0.3277
Economically Disadvantaged	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Transiency	0.0250	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Gifted and Talented	---	---	---	---	---	0.2650	0.2650
School Characteristics							
Grade Levels Elementary	0.0249	0.0350	0.0350	0.0347	0.0347	0.0350[1]	---
Middle	0.0553	0.1000	0.1000	0.1004	0.1004	0.1000[1]	0.0435[1]
High	---	---	---	0.0240	0.0240	0.0240[1]	---
Multitrack Year	0.0025	0.0050	0.0050	0.0050	0.0050	---	---
Geographically Isolated	0.0050	0.0050	0.0050	0.0050	0.0050	---	---
Neighbor Island	---	---	0.0050	0.0050	0.0050	0.0040	0.0040
Neighbor Island – Secondary	---	---	---	0.0010	0.0010	---	---
Nonweighted School Characteristics							
Multitrack Year (Lump Sum Per School)	$111,050	$111,050	$111,050	$137,570	$97,804	---	Elementary: $80,000 Middle: $80,000
School Size	$400 Per Pupil	$400 Per Pupil	$400 Per Pupil	Sliding Scale Per Pupil	Sliding Scale Per Pupil	Sliding Scale Per Pupil	Base Funding[3] Elementary: $200,000 Middle: $347,000 High: $354,000 K-12: $465,500 K-8: $403,000 6-12: $410,000
Geographically Isolated (Lump Sum Per School)	---	---	---	---	---	$50,000[2]	---

[1] Starting in 2011–12, the Grade-Level weighting factors were considered student characteristics (as opposed to school characteristics).
[2] In 2011–12, the weighting factor for Geographically Isolated was eliminated, and a nonweighted, school-based allocation was used in its place.
[3] Base funding amounts were allocated based on school type and replaced the formerly per-pupil allocation.