

# **North Dakota's School Funding System: Recalibration and Next Steps**

Interim Education Funding Committee  
September 11, 2013 Bismark, ND

Allan R. Odden  
Picus Odden and Associates

# **A Quick History**

---

- **After lower court found school funding system unconstitutional,**
- **The state promised:**
  - **First to fix the equity of the funding system**
  - **Second to ensure the system provides adequate funding behind all students and to all districts**



# North Dakota Funding Events

---

- **Enacted legislation in mid-2000s**
- **Received ECS prize for producing significant improvement in school finance equity**
- **Launched an *adequacy* initiative in 2007: The North Dakota Education Improvement Commission**
  - **Picus and Odden were retained to work with that commission**



## **The Interim Committee's Challenge**

- **This Interim Committee is now charged with reviewing and updating/ recalibrating what has been put into place in terms of the funding formula**
- **And with addressing various programmatic issues, such as incentives and accountability, to ensure that dollars are translated into greater student learning**



# Adequacy

---

***What it costs to educate children  
to world class performance  
standards***



# Why 'Adequacy' ?

---

- **Odd word for an ambitious goal**
- **We mean dramatically improving performance in five years, sometimes calling that “doubling” performance**
- **Without doubling funding**



# **Four Approaches to Adequacy**

- **Cost Function**
- **Professional Judgment**
- **Successful Schools**
- **Evidence Based**

# Evidence-Based Approach

---

- **Not just a funding model**
- **Core academics**
- **Electives including art and music**
- **Teacher professional development**
- **Instructional materials and technology**



## **It Covers All Aspects of School**

---

- **Staffing schools with high quality teachers and leaders**
- **Students' personal and social skills**
- **Pressure from state and federal and accountability systems or performance expectations**



# Three Bases of Knowledge

---

- **Randomized controlled trials of individual programs**
- **Other solid research on programs that work**
- **Case studies of schools and districts that significantly improve student performance**



# **Strengths of the Evidence Based Model**

---

- **Links funding elements to strategies that work**
- **Provides detailed citations to make our claims transparent**
- **Uses results from schools that have actually boosted student learning**
- **Findings offer a solid place to start**



# **Key Elements of School Improvement**

---

- **Recruiting and supporting effective teachers and principals**
- **High quality curriculum and related instructional practice**
- **Classroom resources – books, professional development**
- **Additional helps for struggling students**
- **Teachers working in collaborative teams**



# Ten Steps to Boost Performance

---

- 1. Conduct needs assessment**
- 2. Set higher goals**
- 3. Adopt a new curriculum and identify effective instructional practices**
- 4. Commit to data-based decision making**
- 5. Invest in on-going professional development**



# Ten Steps to Double Performance

---

- 6. Focus class time more efficiently**
- 7. Provide multiple and timely interventions for struggling students**
- 8. Create professional learning communities**
- 9. Empower leaders to support instructional improvement**
- 10. Take advantage of external expertise**



## **The Challenge**

---

***Scale up these strategies in all districts by using resources provided by an adequately-oriented state funding model effectively and efficiently***



# The Evidence Based Model:

A Research Driven Approach to Linking Resources to Student Performance

Core  
K-3: 15 to 1  
4-12: 25 to 1



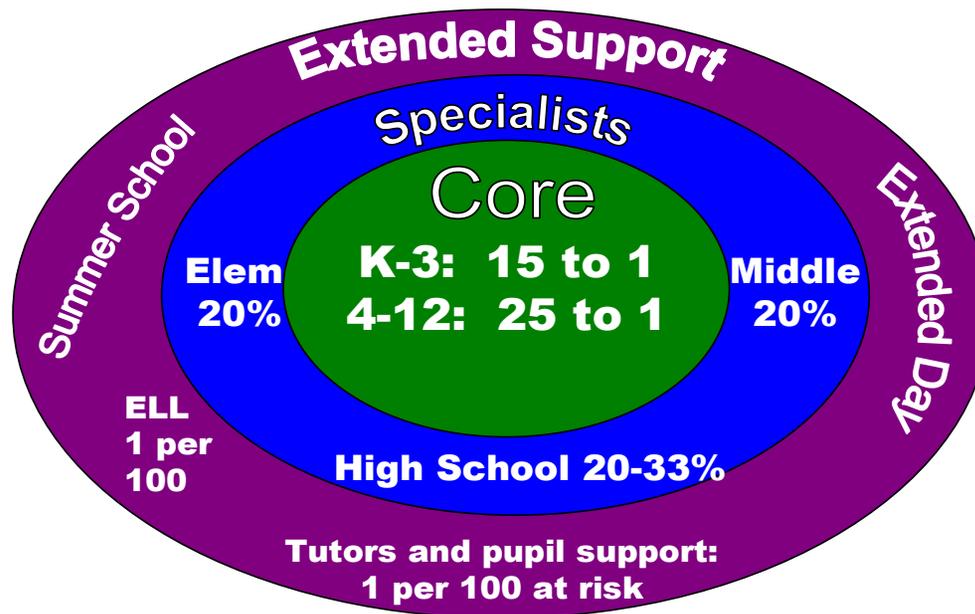
# The Evidence Based Model:

A Research Driven Approach to Linking Resources to Student Performance



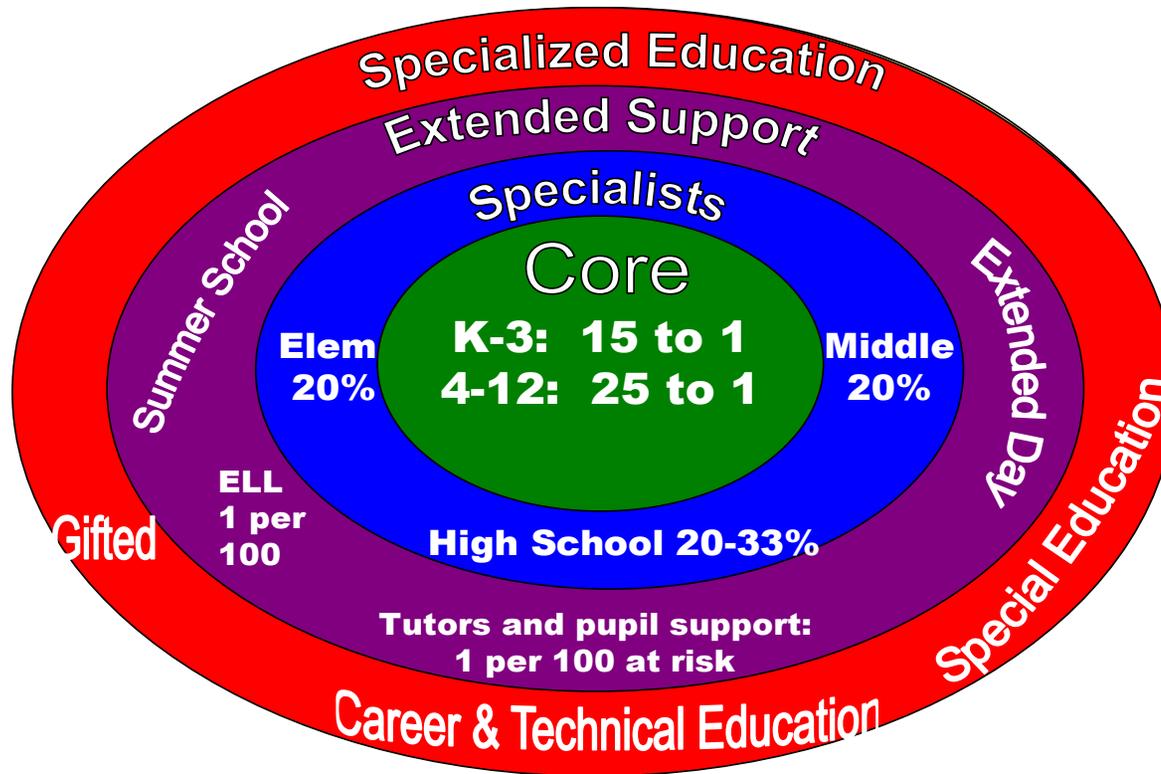
# The Evidence Based Model:

A Research Driven Approach to Linking Resources to Student Performance



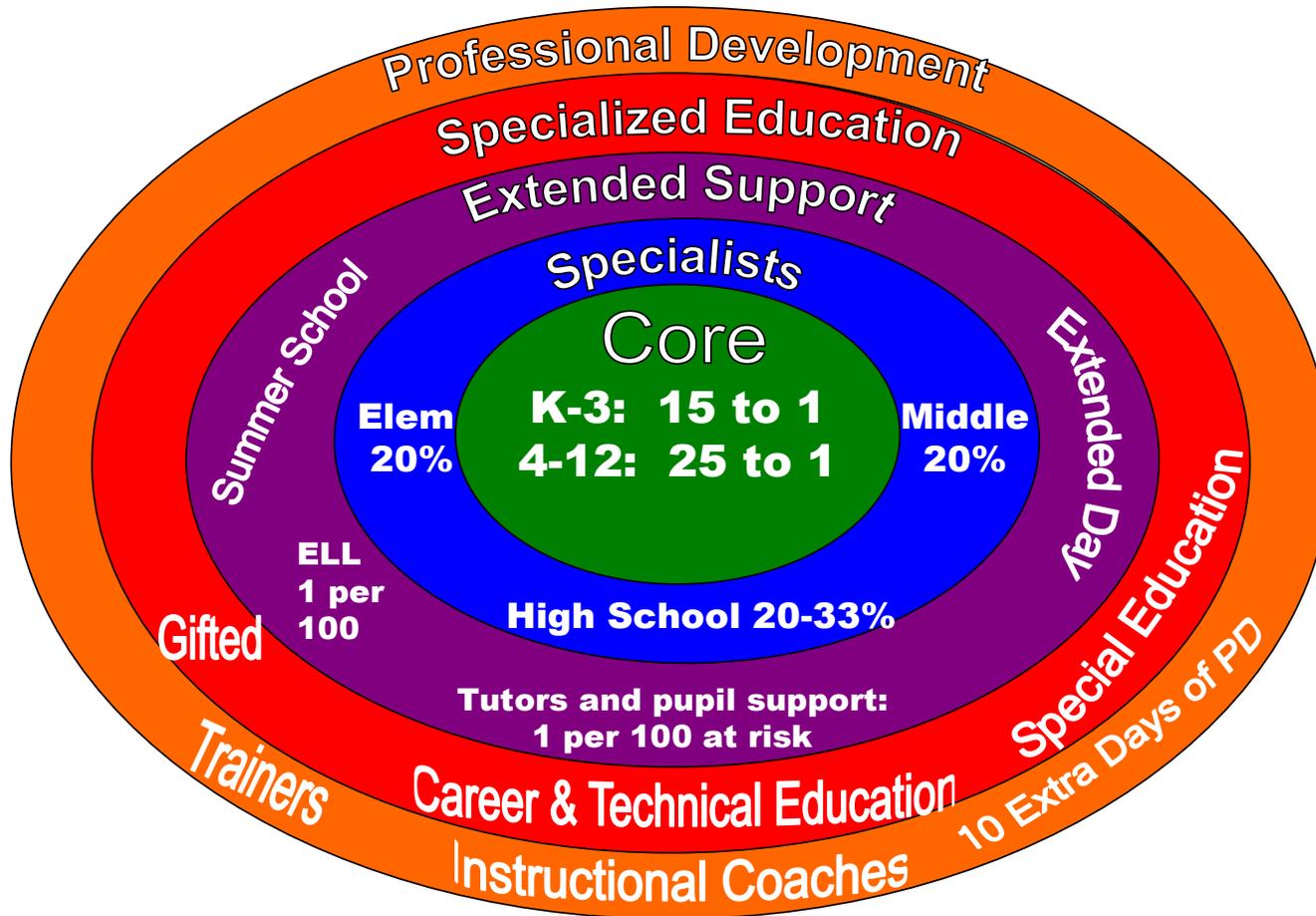
# The Evidence Based Model:

A Research Driven Approach to Linking Resources to Student Performance



# The Evidence Based Model:

A Research Driven Approach to Linking Resources to Student Performance

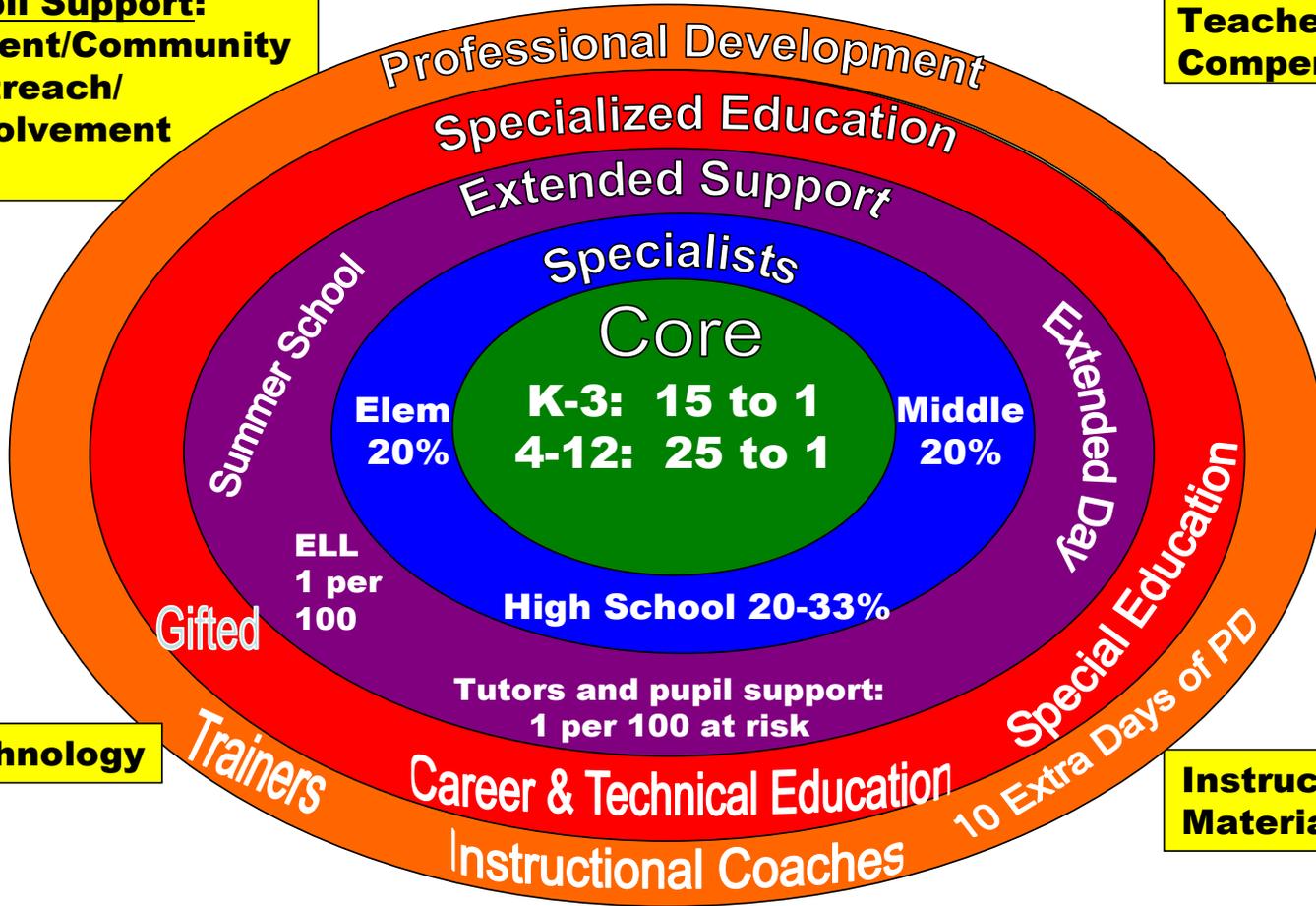


# The Evidence Based Model:

A Research Driven Approach to Linking Resources to Student Performance

**Pupil Support:  
Parent/Community  
Outreach/  
Involvement**

**Teacher  
Compensation**



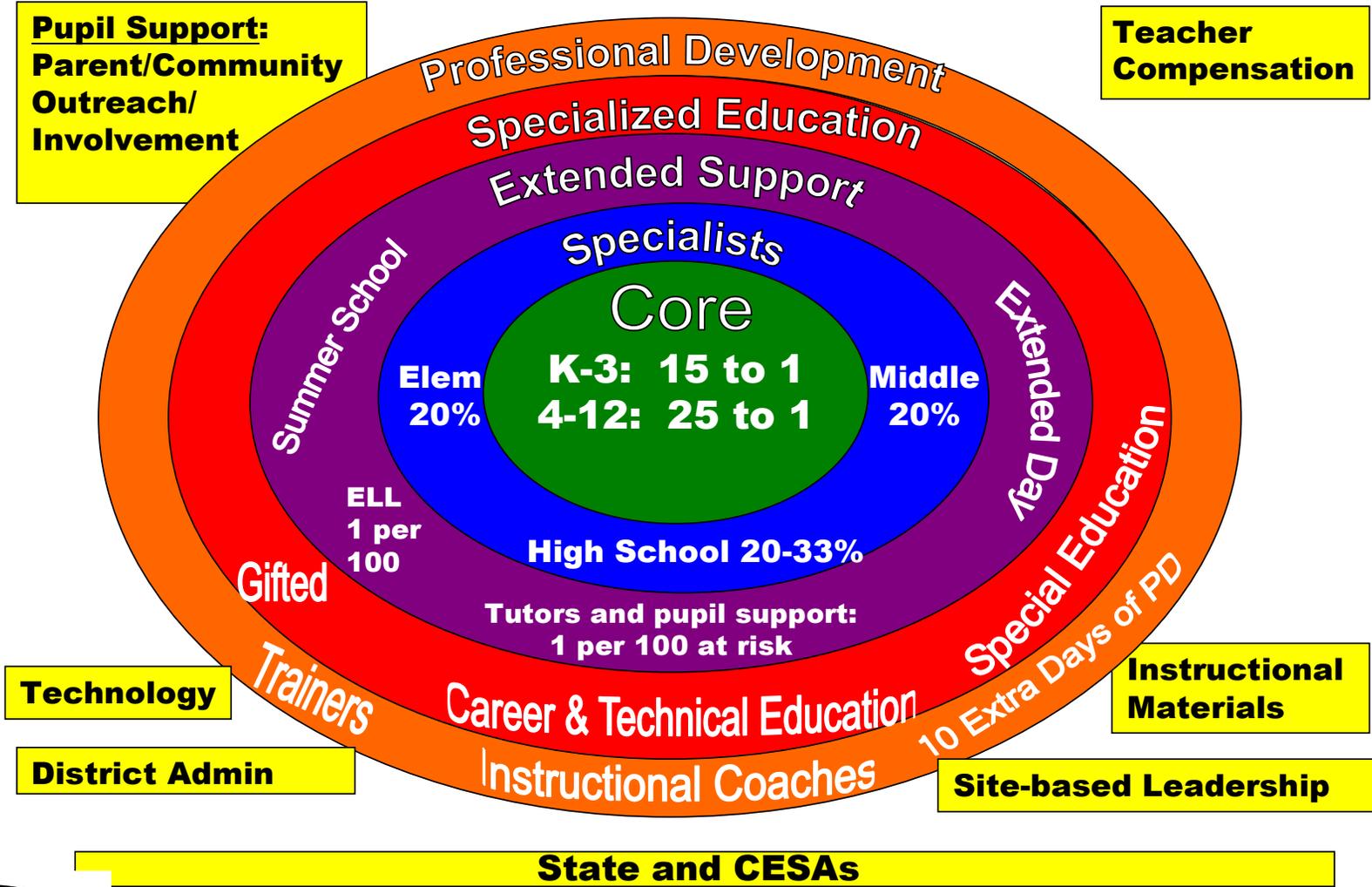
**Technology**

**Instructional  
Materials**



# The Evidence Based Model:

A Research Driven Approach to Linking Resources to Student Performance



# **What Does the Evidence-Based Model Cost?**

---

- **Compared to current expenditures nationally**
  - **Model costs are few percentage points above national average**
- **Exceeds current costs in low spending states – e.g., Arizona, Mississippi,**
- **Less than current costs in high spending states – e.g., Connecticut, New Jersey**

## **What Does the Evidence-Based Model Cost?**

---

- **Our estimate for North Dakota in 2007 was \$7,394**
- **This figure was adjusted and put into the state's formula**
- **Inflation adjusted over time so the base figure is \$8,810 for 2013-14 and \$9,092 for 2014-15, numbers which put North Dakota spending per pupil well above the national average**



# North Dakota's Current Funding System

---

- **For 2013-14, state two part formula was changed to a regular foundation program:**
  - **\$8,810 per weighted pupil**
  - **60 mills required local funding effort and a deduction of 75/100% of in lieu local sources, that reduced local support from 35 to 20%**
  - **10 additional mills at district discretion**
  - **12 mill cap on special purpose levies**



## **Possible Issues to Address Now**

---

- **Is the base figure still appropriate?**
  - **Review all elements. Use a smaller prototypical district? Use a model for maintenance and operations? Review Transportation? Enhance state role for capital construction?**
- **Challenges with shift to straight foundation formula?**
- **Weights for struggling students?**
  - **At risk, ELL, special education**
- **Small district, small school, isolated district adjustments?**



## **Possible Programmatic Issues**

---

- **Mission is to turn education dollars into better instruction that boosts student learning**
- **Goal is to educate all students to be college and career ready**
  - **Major strategy across the country to accomplish this goal is implementing common core curriculum standards in reading/English/language arts, mathematics, and science**



## **Possible Programmatic Issues**

---

- **State initiative in professional development**
  - **What are the new instructional demands of a college and career ready curriculum**
  - **Helping districts and teachers develop new curriculum units for this new curriculum**
  - **Helping recruit, select, train and network instructional coaches as experts in this area**



## **Possible Programmatic Issues**

---

- **Is a stronger accountability needed?**
  - How should it be designed?
- **Teacher recruitment**
  - How to attract and retain effective teachers
- **Strategic talent management initiatives**
  - Enhanced teacher and principal evaluations
  - Effectiveness metrics for licensure, promotion, tenure, pay and dismissal?
- **Others?**



## **Two Major Issues Facing North Dakota**

---

- **Is the funding system still adequate?**
  - Are any adjustments needed?
- **Are the new dollars in the system being used for more effective instruction**
  - Do they produce increased student learning?
  - Are students ready for college and the workplace?
  - Are new systems needed to accelerate turning dollars into student results?



## **Bottom Line**

---

- **We know a great deal about how to improve schools**
- **North Dakota has allocated significant new dollars to schools**
- **Have the dollars been used successfully to improve student performance?**
- **Are people satisfied with progress so far and if not what are the priority areas to address?**



# Resources

---

- **Odden, A.R. and Picus, L.O. (2014). *School Finance: A Policy Perspective, 5<sup>th</sup> edition*. New York, NY: McGraw-Hill, 2014, available now.**
- **A. Odden, *Ten Strategies for Doubling Student Performance*. Thousand Oaks, CA: Corwin Press, 2009.**
- **A. Odden, *Improving Student Learning When Budgets Are Tight*. Thousand Oaks, CA: Corwin Press, 2012.**
- **A. Odden, *Strategic Management of Human Capital in Education*. New York: Routledge, 2011.**



# **Allan R. Odden**

---

**Partner, Picus Odden and Associates**

**Professor Emeritus and Co-Director Emeritus,  
Consortium for Policy Research in Education,  
University of Wisconsin-Madison**

**608 239 4671**

**arodden@lpicus.com**

