FUNDING BASED ON STUDENT PERFORMANCE

Commissioner's Working Group on School Funding
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Division of Program Finance

Governor's Budget Recommendation for Excellence in Education Awards (Item #7 in MDE Draft Funding Reform Proposal)

- Establish a noncompetitive grant program to recognize schools with outstanding growth in student achievement and enable these schools to provide best practices training or disseminate best practices information to other schools.

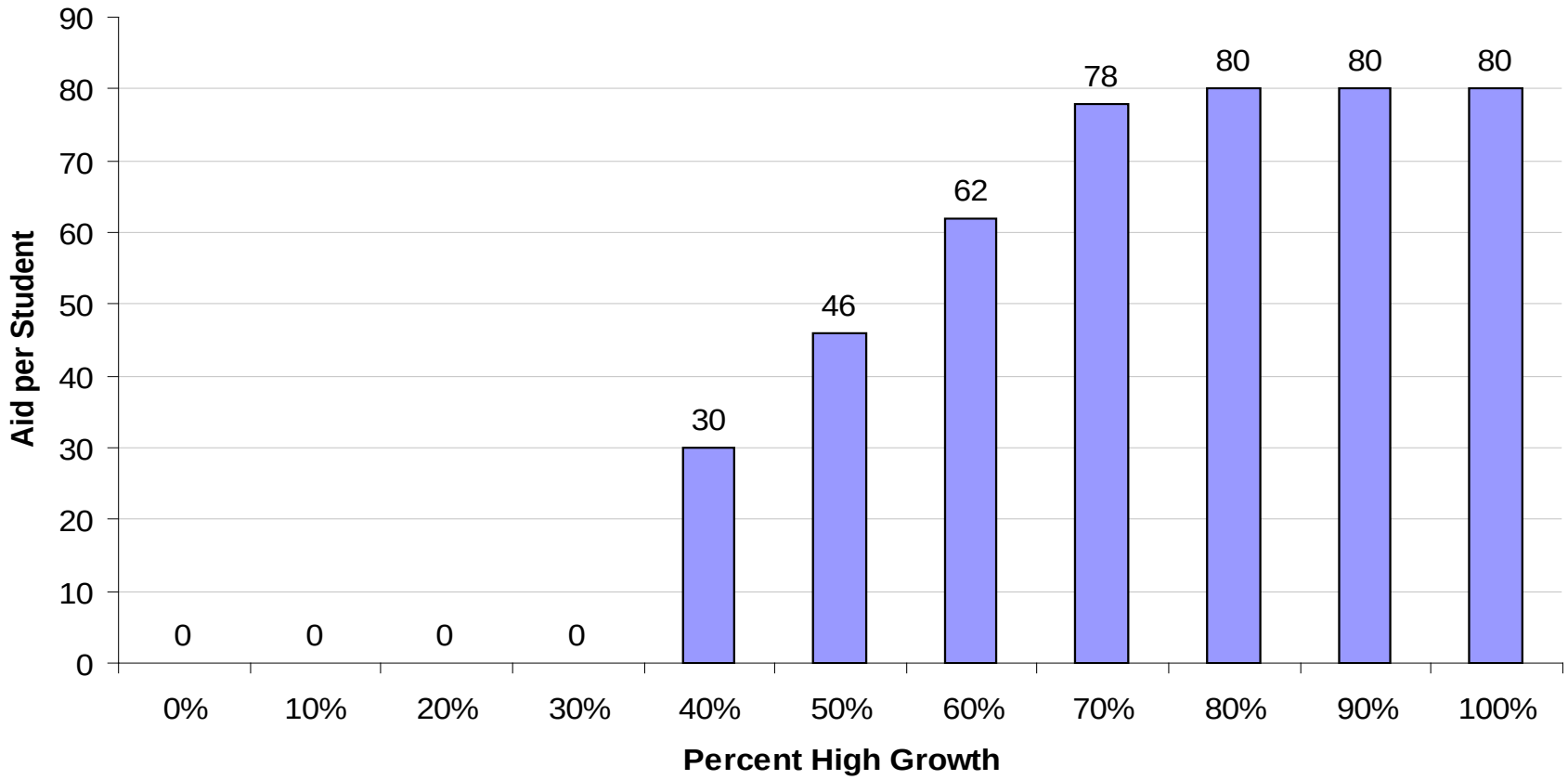
- The top 20% of schools in the percent of tested students making high growth in reading and math will be eligible for a grant. The amount of the grant will vary, depending on the percent of tested students making high growth.

- Up to 50% of the grant may be used at the school to maintain the school's excellent performance. The remainder of the grant must be used to provide best practices training or to disseminate best practices information to other schools.

- Participation for eligible schools is optional; to qualify for a grant, school districts and charter schools with eligible schools must accept the award and submit a budget to the Department of Education.

- State cost is $4.9 million in FY 2012, $7.0 million in FY 2013 and later.

Governor's Proposed Excellence in Education Award, Schools with 40% or More of Tested Students with High Growth



Governor's Recommendation – Excellence in Education Award, by Strata

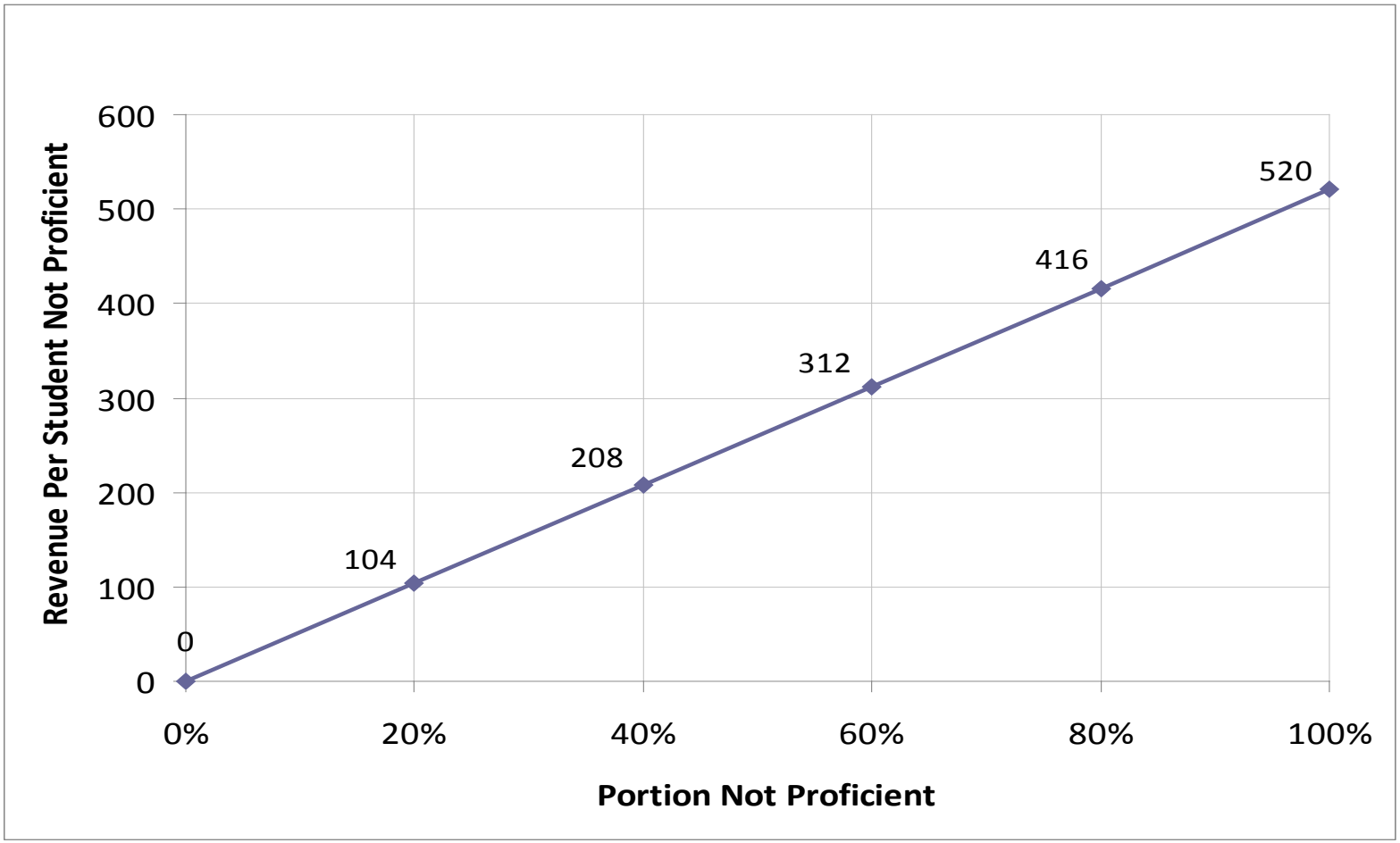
	Revenue	Enrollment	Revenue Per Enrollee
TOTAL	7,000,000	836,630	8
MPLS & ST PAUL	465,186	72,537	6
OTHER METRO, INNER	884,502	84,602	10
OTHER METRO, OUTER	2,764,792	265,728	10
NONMET>=2K	1,149,531	185,005	6
NONMET 1K-2K	559,201	93,958	6
NONMET < 1K	692,106	90,289	8
CHARTER	464,361	35,375	13
OTHER	20,319	9,136	2

MDE Draft Funding Reform Proposal also includes the following:

5. Reform Basic Skills Funding

- This proposal has several elements, including:
  - Allocate a portion of compensatory revenue based directly on need as measured by statewide assessments of student learning (e.g., portion of students not proficient).
  - More specifically, this proposal would allocate 10% of compensatory revenue based on the concentration of students at the school who are not proficient in reading and math on the MCA IIs.

Proposed Compensatory Funding Based on Concentration of Students Not Proficient



Basic Skills Funding per ADM by Strata, MDE Proposal, FY 2013

	Compensatory - Poverty	Compensatory - Proficiency	LEP	Total
MPLS & ST PAUL	1,750	149	205	2,104
OTHER METRO, INNER	482	52	70	603
OTHER METRO, OUTER	224	33	38	295
NONMET>=2K	407	49	31	487
NONMET 1K-2K	443	56	16	515
NONMET < 1K	523	60	19	601
CHARTER SCHOOLS	1,218	122	143	1,484

Senate Literacy Incentive Aid

Two components:

- *Proficiency Aid* =

  School enrollment x $150 x percent of 3rd graders proficient in reading on MCA II
- *Growth Aid* =

  School enrollment x $150 x percent of 4rd graders with medium or high growth in reading on MCA II

- Funding is site-based – only those sites enrolling 3rd and 4th graders generate aid

- Replaces integration aid and levy beginning in FY 2013

- State cost is $60.2 million in FY 2013 (based on 70-30 funding) and $87 million in later years

Senate Literacy Incentive Aid Per ADM, By Strata

	Proficiency Aid	Growth Aid	Total per ADM
MPLS & ST PAUL	50	61	111
OTHER METRO, INNER	51	48	99
OTHER METRO, OUTER	54	50	103
NONMET>=2K	49	45	94
NONMET 1K-2K	52	47	99
NONMET < 1K	62	55	116
CHARTERS	54	60	114
OTHER	43	115	158
State Total	53	51	103

Comparison of Current Proposals

Aid based on Growth:

- Governor's Excellence in Education Awards targeted to schools with high growth; targeted to schools with >40% high growth; based on growth in reading & math at all grade levels tested.

- Senate's Growth Aid is allocated based on % of 4th graders with medium or high growth in reading; no cutoff to qualify.

Aid based on Proficiency:

- MDE's draft proposal for reform of compensatory funding would allocate 10% of revenue based on number of students NOT proficient as a measure of *need.*

- Senate's Proficiency Aid would allocate funding based on % of students that are proficient, as an *incentive* for higher proficiency. Would include students who are proficient but make low growth in the calculation of rewards to districts.

Other Options

- Continue to allocate compensatory revenue based on concentration of poverty, but allow flexibility for school districts to allocate up to 10% of the revenue to sites based on concentration of non-proficient students.

- Continue to allocate compensatory revenue based on concentration of poverty, but allow flexibility for school districts to use up to 10% of the revenue for innovative programming, rewarding sites with achievement growth, demonstrating success in reading by Grade 3, etc.

- Allocate a portion (e.g., 5% - 10%) of compensatory revenue based on growth for non-proficient students or number of students moved from being non-proficient to proficient as a reward for improved performance.

- Other??