



Frequently Asked Questions

THE FOUNDATION BUDGET An Adequate Base for a Quality Education

What is a Foundation Budget?

A Foundation Budget is a way of answering the question, “What is the minimum cost to provide a child with a quality education?” This method sets a foundation – or minimum – for the educational services and programs that schools must have to help students achieve high standards. A Foundation Budget is based on research, professional judgment and best practices from successful schools. Several states have used Foundation Budgets as the basis for changes in law, including Massachusetts and Maryland.

How is a Foundation Budget calculated?

The simplest way to think about a Foundation Budget is like zero-based budgeting in business: it starts with a blank slate and adds up the individual line items that it takes to run a high-quality school.

To calculate a Foundation Budget, we begin with the number of schools and students in a school district and use that information to draw conclusions about the level of resources the district needs. For example, a Foundation Budget uses student-to-teacher ratios to come up with the required number of teachers and administrators for a given school; similarly, the level of textbooks, computers and maintenance all come from the number of students in a district.

What if a district's actual spending is higher than a Foundation Budget amount?

A Foundation Budget is intended as the floor – not the ceiling – for school funding. For too long, we have been unable to say with confidence what minimum level of resources our schools need and why they need them. A Foundation Budget enables us to do precisely that, and it is imperative that we bring all school districts up to that foundation level. At the same time, the state should accomplish this without penalizing school systems that are already there or are spending even more.

How can a Foundation Budget address poverty?

All available research demonstrates that low-income students need extra resources in order

to succeed in school. Policy-makers can use a Foundation Budget to invest in evidence-based strategies for helping low-income children achieve at high levels. These can include pre-school, full-day kindergarten, extra teachers for schools with low-income populations (in addition to smaller class size in the early grades for all schools) and supplemental instructional time so students who are behind can receive help after school, on weekends or during the summer.

How can a Foundation Budget fund special education?

A Foundation Budget should address the needs of special education students the same way that it calculates other spending levels: based on assumptions about the proportion of students who need the service. Pennsylvania currently funds special education by assuming that 15 percent of the students in every district have special needs. This is better than basing funding on an actual count of students assigned to special-needs classes because it removes any incentive districts may have to label more children as special education in order to receive extra funds.

Because a Foundation Budget is based on student-to-teacher and other ratios, it can be tailored to include funding for sufficient extra teachers, therapists and any other necessary personnel and supplies. Districts would then be able to choose how they allocate those resources to help special-needs children.

How does a Foundation Budget impact small schools and districts?

A Foundation Budget is based on ratios that start with the number of students. As a result, some schools and districts would have too small a population to receive enough funds for core expenses like administrators and maintenance. For example, if a Foundation Budget calls for one principal for every 300 elementary school students, a school with only 200 children would not be able to afford its own administrator.

A Foundation Budget should address this problem by providing extra resources to

schools that would not otherwise be able to afford a principal, guidance counselor and custodial staff and supplies, and to school districts so that each can hire a superintendent and other key administrators.

How did Operation Public Education decide on the recommendations inside this brochure?

Operation Public Education began by gathering information from regional focus groups of teachers, principals, superintendents, school board members and other educators. At four meetings across the state, these educators gathered to identify the educational practices most likely to lead to increased student achievement. Then, a core group with members from the key education constituencies as well as from several leading business organizations prioritized the accumulated ideas and used their expertise and available evidence to narrow the choices to the critical elements. Our lead consultant for the project was Edward Moscovitch, the former budget director for the State of Massachusetts who was the architect of that state's Foundation Budget.

How can a Foundation Budget become a reality?

Operation Public Education recommends that the state convene a blue-ribbon commission to create its own Foundation Budget. The commission members should be named by the governor and the majority and minority parties of both houses of the state legislature. By carrying out a Foundation Budget process, the commission would be able to establish a minimum guaranteed funding level based on educational priorities. Once the commission finishes its work, its recommendations should be enacted by the legislature as part of a comprehensive school reform package that is indexed to inflation and also includes an equitable funding formula and a meaningful system of accountability.

RECOMMENDATION:

Form an independent Foundation Budget commission to determine the cost of providing every child with a quality education.

In the 21st century, nothing is more essential than providing all children with the skills they need to succeed in our economy and society. So it is no surprise that public education consistently ranks as one of the most important issues to voters across the nation.

In order to ensure that every school can meet the challenge, states must wrestle with three related questions: *Adequacy* – How much does it cost to provide every child with a quality education? *Equity* – What portion of these funds should be provided by the state, and what share should come from local taxes? *Accountability* – How should educators be held accountable for student learning, so the public can have confidence that its investment will produce results for the state's children?

A Foundation Budget provides the answer to the first of these questions. It is entirely different from how we usually talk about school funding. Instead of focusing only on the numbers – how much the most “successful” schools spend, the gap between wealthy and poor districts, etc. – the Foundation Budget shifts the debate over funding to what matters most: the ingredients of a quality education.

The Foundation Budget starts with a blank page and adds up all the costs that go into education. We can think of the budget as a formula that begins with the number of students, asks what resources they need in order to learn and for their schools to function, and then calculates how much it costs. The budget is based on research, expertise from educators, and best practices.

Operation Public Education recommends that the state convene an independent blue-ribbon commission to undertake a Foundation Budget process, as has been done in Massachusetts, Maryland and Illinois. With broad input from parents, experts, educators, community leaders and others, such a process could

provide the blueprint for providing all of the state's schools with the resources they need to help children achieve at high levels. The commission's findings should then be matched with an equitable distribution formula and a comprehensive accountability system to form a meaningful school reform package.

With support from the business community and major foundations, Operation Public Education launched its own yearlong process to identify the educational priorities that a Foundation Budget should include. To gather information, OPE convened four regional focus groups of principals and teachers from across Pennsylvania. Leading superintendents, school board members, teachers and business representatives then prioritized the focus groups' recommendations.

Participants spoke with great consistency about the ingredients of a high-quality education and the special provisions necessary to give low-income students the extra academic resources they need. The themes for improving schools that emerged are described inside this brochure. They are intended as a guide to help the public understand how funding matters and to aid policy-makers in prioritizing educational choices in a world of scarce resources.

OPE urges states to adopt a Foundation Budget process as a way to transform the dialogue over school funding. The Foundation Budget shifts the debate from arguments over more or less resources to questions of what spending is most likely to be effective and why. With a Foundation Budget, we can truly address how “investment with accountability” can improve our schools.

A budget based on evidence, professional judgment and best practices.



WHAT'S IN THE FOUNDATION BUDGET



Ingredients for a Quality Education

A Foundation Budget is calculated by adding up all of the building blocks that go into a quality education. Drawing from proven research and expertise from educators, Operation Public Education recommends that any Foundation Budget address the following academic priorities:

TEACHER QUALITY

The single most important factor in a child's school experience is the quality of his or her teachers. We all know from experience that good teaching matters, so it should come as no surprise that research overwhelmingly emphasizes the importance of qualified teachers who have mastery over their subject area.

Two research findings are particularly compelling. The first, from the value-added work of statistician Dr. William Sanders, concludes that teacher effectiveness is by far the most powerful predictor of how much academic progress students will make. In addition, a study from Educational Testing Service found that "teachers can contribute as much to student learning as the students themselves."

Ensuring teacher quality must be an ongoing responsibility for school districts. In terms of a Foundation Budget, having an effective teacher in every classroom requires two kinds of investment: professional development days for teachers so they can receive continuous training and the hiring of teacher coaches to work with new and struggling educators.



EXTRA TIME FOR STRUGGLING STUDENTS

Our schools have always operated based on the idea that children attend a set number of hours per day and days per year – all of which we hold constant. But some students need extra help – and therefore extra time – in order to master the knowledge and skills that are associated with high standards.

Data from the Boston Public Schools demonstrate how effective extra time can be. Boston identified its struggling students and gave them additional classroom instruction over a 15-month period. When all of the district's students were tested in reading and math, the "struggling" students who received help passed at the same rate as other students.

A Foundation Budget should assume that a certain percentage of students will need additional time and provide a specific number of added instructional days. It is then up to individual school districts to decide whether the time is used after school, on weekends, in the summer or as a combination of the three. That way, schools have the maximum flexibility to help the students who need it the most.

TECHNOLOGY AND INSTRUCTIONAL MATERIALS

Educators must have up-to-date books and curriculum materials in order to teach in our ever-changing world. Students also need access to computers so they can develop the key skills for the 21st century and gain access to information beyond the walls of the classroom.

Today in Pennsylvania, some districts can only afford one computer for every 20 students. Yet we know that regular use of a computer is important for academic success. In fact, students perform better on the National Assessment of Educational Progress – known as "the nation's report card" – when they have access to a computer as part of regular classroom instruction.

Because a Foundation Budget is based on formulas, it provides the opportunity to decide on the minimum acceptable student-to-computer ratio, as well as an annual spending level for books and other instructional materials that ensures schools will have current information and sufficient supplies.

EARLY CHILDHOOD EDUCATION

School readiness has become one of the most important policy issues in public education. Children who do not have access to quality pre-school and full-day kindergarten lack the crucial foundation for high achievement later on. Pennsylvania is one of only nine states that do not currently fund pre-school, and fewer than one school in five offers full-day kindergarten.

Research from the University of Wisconsin demonstrates the importance of investing in early childhood education. One study showed that low-



income students who attended quality pre-school had a high-school graduation rate 10 percentage points higher than their peers who did not have access to early childhood education. Another study found that even two years later, children who had attended full-day kindergarten were performing significantly better in reading and math than students who had only attended half-day kindergarten.

A Foundation Budget should guarantee funds for school districts that choose to offer pre-school to children who are not currently covered by the federal Head Start program, as well as for schools that provide full-day kindergarten to their students.

SMALL CLASS SIZE IN K-3

Kindergarten through third grade is an extremely important time for children to master basic reading and math skills. It is not possible for a teacher with 30 or more students to address each young child's learning needs. But in a smaller class, primary-grade teachers can work more closely with individual children.

The largest class-size reduction study took place in California beginning in 1996. The state lowered class size to no more than 20 in K-3, and found that students in the smaller classes performed better. The seminal study on class size, Project STAR in Tennessee, concluded that K-3 students – particularly disadvantaged and minority children – had lasting achievement gains when placed in classes of 13-17 students.

A Foundation Budget should reduce class size and provide extra teachers in the early grades for schools with low-income students.