



Alaska Task Force on Education Funding

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Agenda

- Different Types of Finance Studies
- Using Multiple Approaches
- Professional Judgment and Successful Schools Approach
- Student Counts



DIFFERENT TYPES OF FINANCE STUDIES

Types of School Finance Studies

- There are three types of studies that often conducted across the country:
 - Structural Review,
 - Equity Study, and
 - Adequacy Study.

Structural Review

- A structural review of a state's finance system is focused on understanding how a state's system works and determining if the funding system is meeting the needs of the state.
- This can include looking at the types of adjustments made in the system for students and districts and the inherent incentives built into the system.
- Most of these studies are done in conjunction with an equity or adequacy study.

Equity Study

- Designed to understand how districts, students, and taxpayers are treated by the funding formula.
- **Horizontal equity** examines how funds are distributed across districts, determining if like districts are treated similarly.
- **Vertical equity** examines how differences are treated within a system. This includes student need differences such as special education, economically disadvantaged students, and EL students.
- **Fiscal Neutrality** measures the relationship between the wealth of a district and the amount of resources available to serve students. Can also look at the amount of effort different communities make to participate in the funding system.



USING MULTIPLE APPROACHES

Using Multiple Approaches

- Most recent adequacy studies have used multiple approaches
 - Many use an input and output-based approach
- Many of the input studies have used both evidence-based and professional judgment
- Input and output approaches provide different lenses on costing out and different levels of detail in recommendations

Adequacy Studies

	Professional Judgment (PJ)	Successful School District (SSD)	Education Cost Function (ECF)	Evidence-Based (EB)
Benchmark of Success	Ensuring students can meet all state standards	Currently outperforming other school districts	Current performance; extrapolates to meeting all standards	Ensuring students can meet all state standards
Data Requirements	Expertise of educators serving on PJ panels; uses research as a starting point, but defers to educators when conflict arises in resource recommendations based on their understanding of state standards	Expenditure data from selected successful schools or districts	Performance, student and district characteristics and expenditure data	Best-practice research, reviewed by educators; when conflict arises in resource recommendations, the EB approach defers to the research
Resulting Information				
Base	Yes	Yes	Yes	Yes
Student Adjustments (Weights)	Yes	No	Yes	Yes
Resource Model	Yes	Yes (case studies)	No	Yes

Multiple Approach Study Examples

- Maryland – New Formula
 - Evidence Based and Professional Judgment
- Nevada – New Formula
 - Professional Judgment and Successful Schools
- Delaware – Likely New Formula
 - Cost Function and Professional Judgment
- Colorado
 - Cost Function and Professional Judgment



PROFESSIONAL JUDGMENT AND SUCCESSFUL SCHOOLS

Professional Judgment

- Input based approach that relies on the experience and expertise of educators in a state
- Begins with identifying a “standard” for a state which includes the input and outcome requirements for students, teachers, schools, and districts
- Begins with some of the evidence-based research but allows educators to adjust to the state context

Professional Judgment

- Multiple levels of panels are held that include:
 - School (generally elementary, middle, and high school but can include k-8 and k-12)
 - Special needs (at-risk, multilingual learners, and special education)
 - District
 - Statewide reviews
- Panelists do not discuss per pupil funding amounts but focus on the actual resources needed in schools to serve students
 - Costs of resources are applied after panels are completed

Successful Schools

- Output based approach that focuses on the base (foundation) level of spending in schools/districts that are out achieving other schools/districts
- Key factor is defining what “successful” means
 - Often a mix of absolute high performers and those that are performing higher than might be expected
- Represents what is being spent today to be a high performer. Not generally used to identify resources needed to have higher statewide outcomes.



STUDENT COUNTS

Student Count

- State counts include different components:
 - How the count is done
 - Single Day, Multi Day or Average
 - What is considered: membership/enrollment vs. attendance
 - Membership is students enrolled and served by districts
 - Attendance is students attending class on given day(s)
- States differ on if funding is based on the current or prior year count, or a combined/ average/ “better of” approach

Different Types of Counts

- Reviewed all 50 states + DC to categorize their approach to counting students into the following categories:
 - Single Day Attendance
 - Single Day Membership
 - Multi Day Attendance
 - Multi Day Membership
 - Average Attendance
 - Average Membership
- Important to note that even similarly named counts can be implemented very differently
 - Examples:
 - Average could be over a two-week period, several months, or an entire year
 - Student count could be for the current year or prior year figures

Current Counts in States

- **Membership vs Attendance**
 - 45 states use Membership
 - 5 states use Attendance
- **Count method**
 - 26 states use averaging
 - 15 states use a single day count
 - 10 states use multiple day counts
- **How Average is Implemented (subset of states)**
 - 19 states calculate using the full year
 - 7 states calculate using a time period less than full year
- **Year(s) of student count(s) used for funding**
 - 15 states fund on current year student counts
 - 17 states fund on prior year student counts
 - 19 states use an approach that either averages, combines or provides the "better of" multiple years of student counts (10 of which include the current year, 9 of which use only prior years)



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