Considerations for Establishing Categorical Aid Programs to Adjust for Cost Differentials Among Districts & Schools

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Evaluating Policy Proposals
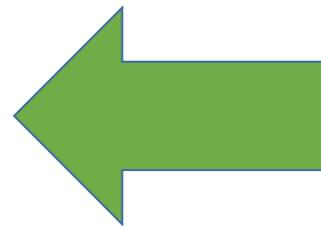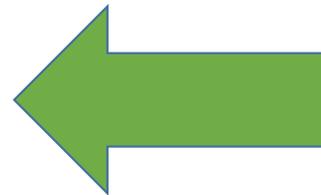
Options under consideration:

1. **Update existing weights**, <u>including</u> proposed ELL weights

2. **Update existing weights**, <u>excluding</u> ELL weight – in lieu of stand alone/categorical funding program for ELL students

Aligning Funding Mechanisms with Policy Goals

Goals

Mechanisms

1. **Equalize costs**, generally across districts and/or schools, for the purposes of **equalizing spending/tax effort** and **opportunities to learn** for students

Cost Adjustments Embedded in General Education Funding Formula

2. **Provide specific and targeted support** for specific educational **programs** and/or **students**. Act as **cost adjustment** for the purposes of adjusting local spending for calculating tax effort.

Categorical Grant Programs

When are categorical aid programs most appropriate?

1. There is an **identified cost differential** that requires additional resources to equalize educational opportunities for students

2. A **specific program, population group, or purpose** can be readily **identified** and **measured**

3. We **can determine** the appropriate or adequate level of **additional resources necessary** to offset differences in cost

4. (In some instances, but not all) – **Desire for accountability & monitoring** for how funds are used

ELL Weight vs. Categorical Program
Potential Tradeoffs

Opportunities:

- **Address intrastate variability in student need and programs**

- **Ability to align specific programmatic supports (statewide) with funding**

Concerns:

- **Challenging to establish appropriate funding level**

- **May create "program" silos**

- **Additive**

- **Administrative burden & cost** (state, districts and schools)

Other Potential Policy Options …

- Tiered grant program

- Hybrid approach with an opt in for weights or categorical grant(s)

- Cost reimbursement