



Good Schools
Pennsylvania
Don't Kill Courts

Costing Out: Key Facts

- **Costing Out** is a rational, objective approach to determining what level of education funding is needed so that all students have a genuine opportunity to meet state learning standards. Its use has paralleled two other important developments in public education:
 - *Standards-based reform*: Statewide academic standards are still a relatively new concept in public education. It is only in the past 15 years that states have gradually adopted a uniform set of standards for student learning.
 - *No Child Left Behind* - The 2001 reauthorization of the federal Elementary and Secondary Education Act, known as "No Child Left Behind" (NCLB), has further articulated the unprecedented goal that all children should be proficient in mastering the standards.
- These developments raise a new set of questions about how states should align funding with the standards that students are required or expected to meet:
 - What resources and conditions do schools need in order to enable their students to meet the state's student learning standards?
 - How much funding is required to build and maintain the necessary resources and conditions?
 - What kind of state education finance system would best deliver that funding to all schools?
- Costing out studies use various methodologies to answer these questions, as well as take into consideration the extraordinary needs of students and schools attributable to circumstances such as poverty, limited English proficiency, and disabilities.
- The costing out process can include broad public engagement, and serve as an educational tool for understanding the link between adequate resources, proven practices, and accountability.
- Pennsylvania, like most other states, has adopted statewide student-learning standards as part of the standards-based reform movement. However, Pennsylvania has never determined how it must align funding with the high standards that students are expected to meet. Costing out studies have been performed or are underway in 38 states.
- The majority of costing out studies have been state-initiated, while other studies have been court-ordered (in five states) or initiated by other parties. Studies have varied in scope from comprehensive analyses of state education finance systems to examinations of the cost of implementing the No Child Left Behind Act to costs associated with educating students with special needs (i.e. English language learners) to geographical cost studies.
- States such as Illinois, Maryland and Oregon have appointed special commissions to study the state's education funding system and make recommendations for school finance reform. In both Illinois and Maryland, the commission hired a professional firm to conduct a costing out study to inform its work. In Oregon, a commission initially tasked with making recommendations to refine the state's education funding system was made a permanent body within the state Department of Education through statute. The Oregon Quality Education Commission is now responsible for biennially analyzing and reporting on current K-12 practices in the state and their costs, best practices for meeting the state's educational quality goals and their projected costs, and the amount of funding sufficient for Oregon's K-12 public education system to meet the state's quality goals.