



## Testimony to the Ohio House Special Finance Subcommittee on School Funding

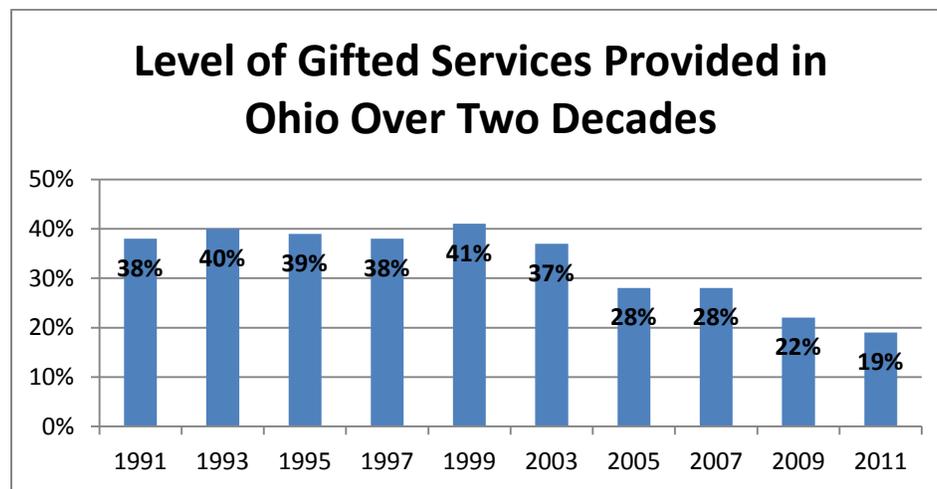
August 22, 2012

Chairman Amstutz, Ranking member Sykes, and members of the subcommittee:

Thank you for the opportunity to testify, today. My name is Ann Sheldon, and I am the executive director of the Ohio Association for Gifted Children (OAGC). As members of the subcommittee are likely aware, gifted funding for the past few years has been in a state of chaos or limbo – depending on one’s perspective. Gifted funding has gone from almost forty years of a stable (though underfunded) system of units and identification funds to completely new systems in each of the last two biennia. In 2010, gifted funding was incorporated into the foundation formula under the evidence-based model. In 2012, funding was changed again to be included in the current bridge formula with no explicit level of funding defined. Essentially, gifted education has been funded under a maintenance of effort provision for the last four years. The uncertainty of future gifted funding and lack of accountability for current funding as well as the performance of gifted children has had a tremendously negative impact on gifted services throughout Ohio.

### Current Picture

Unlike special education, gifted education is not required federally. And unlike many other states, gifted education it is not currently required in Ohio. While districts are required to identify gifted students, they do not need to meet their academic or other needs. The lack of required services, along with a dismantled funding system and a long term focus on minimum proficiency in the state has taken a huge toll on gifted services over the last decade. In 1999, **41%** of all gifted students in Ohio were served. In 2011, just **19%** of all gifted students were provided service. That number will fall again when the 2012 figures are released.

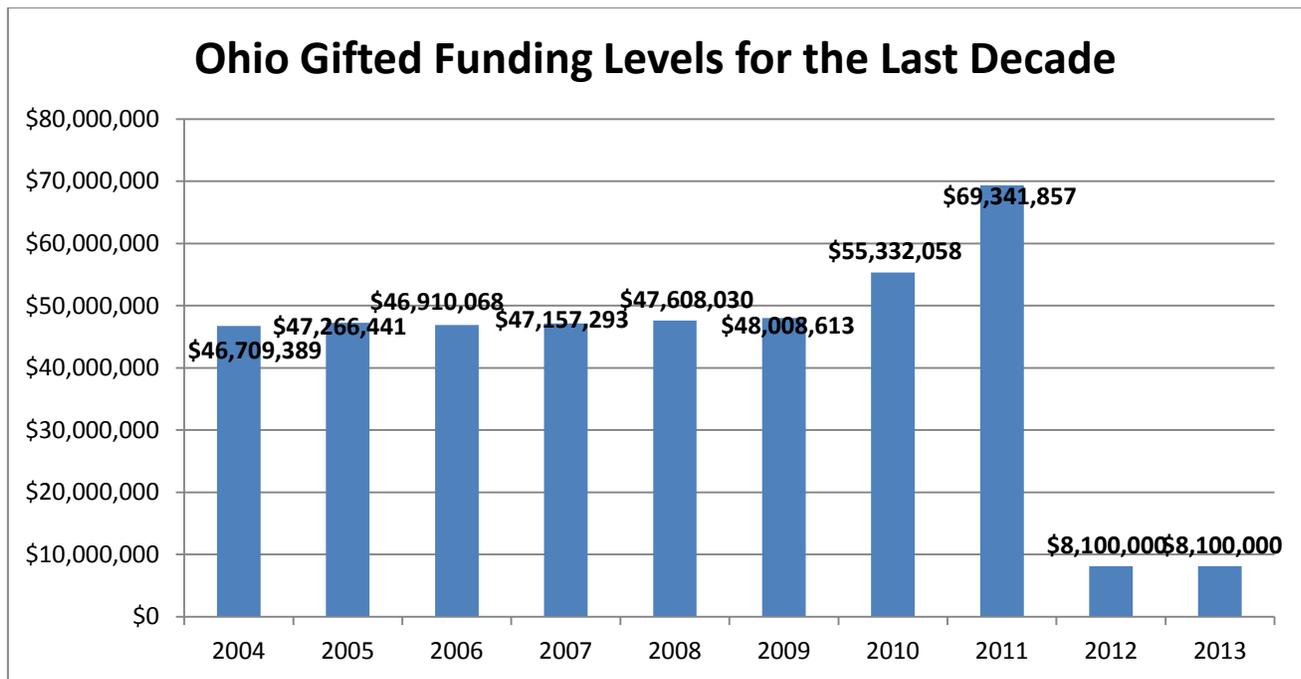


While some of the decline in service levels can be tied to deficient levels of funding, there are other issues at play. Even practices that can be cost efficient and academically effective for gifted students are rarely implemented in Ohio. While Ohio has a nationally acclaimed state acceleration policy, few districts accelerate students, and the Ohio Department of Education (ODE) cannot even effectively determine which

students have been accelerated due to odd EMIS guidelines. There are also financial and accountability disincentives to accelerate gifted students. Allowing a student to accelerate can mean decreased funding at some point for districts. And the thought that an accelerated student may not score as highly on the state achievement tests is enough to steer district administrators away from the practice. Grouping is another practice that although research shows can be highly effective for **ALL** students is seen by many educators as unfair. The general emphasis on teaching gifted students in the general education classroom taught by teachers who have zero training in gifted education has been highly ineffective. But because districts in Ohio are not accountable for the growth of gifted students as a sub-group, there is no incentive to do more. (For more on accountability disincentives, please read Grading on a Curve: the Illusion of Excellence in Ohio – link provided below).

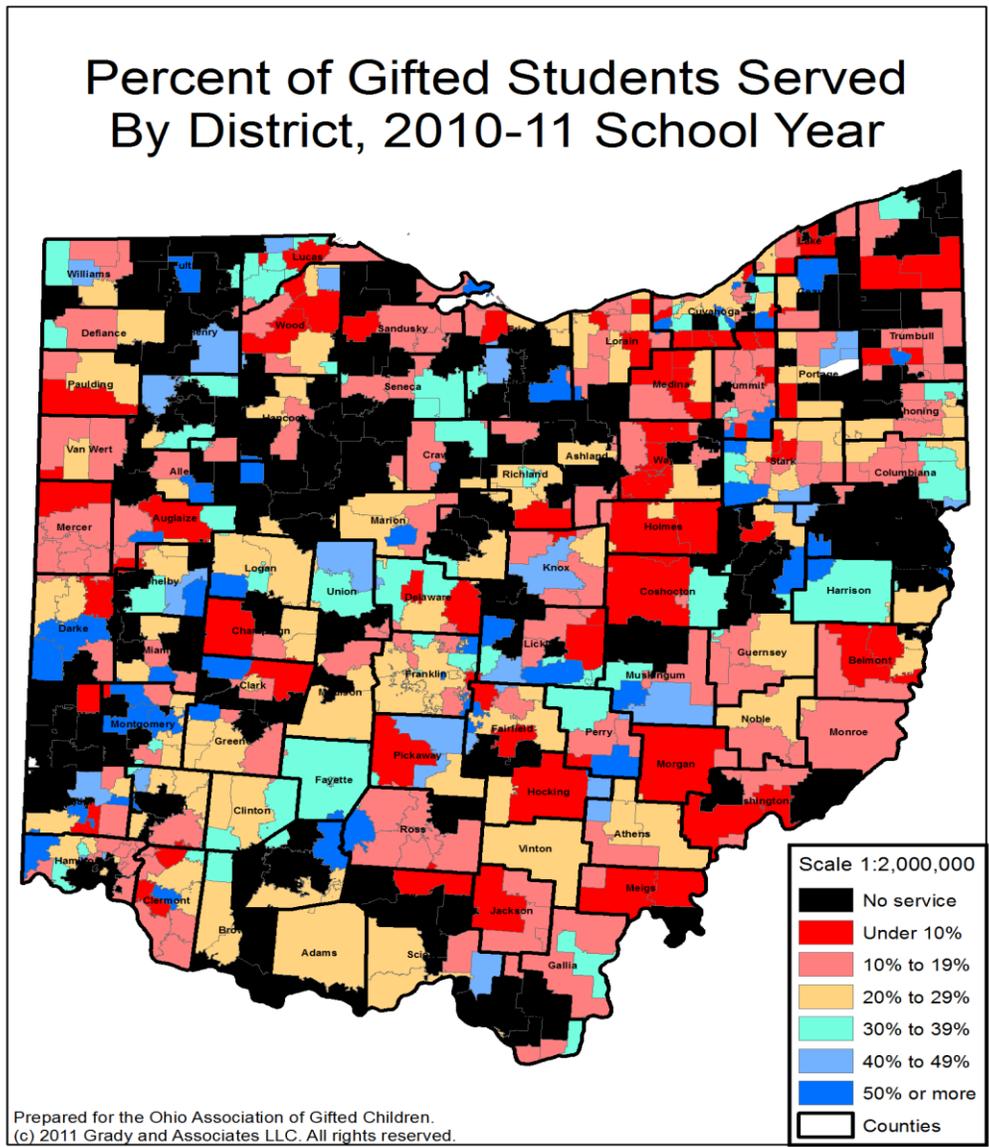
**Gifted by the Numbers – Problems with Equity and Adequacy**

Depending on one’s viewpoint, gifted funding has either been stagnant for the past decade or has decreased by almost **90%**. Funding was relatively unchanged until 2009 with the introduction of the evidence-based model system. On paper, funding rose for the years 2010 and 2011, but as districts were only obligated to meet a maintenance of effort provision, they were not required to spend the state levels of gifted funding beyond that provided in FY2009. For this biennium, a similar situation exists. On paper, there is no funding in the bridge formula for gifted. But districts are technically required to meet the 2009 maintenance of effort state spending level. Compliance with this requirement appears to be somewhat inconsistent. In addition, there is **\$8.1 million** for gifted funding for educational service centers (ESCs).



There has never been an adequate amount of state funding for gifted services. State funding under the old unit funding system never met fully-funded levels. Funding under the evidence-based funding model was to be phased-in over ten years. The impact of both weak funding and policy has wreaked havoc on service levels. As stated earlier, only **19%** of identified gifted students are served in Ohio. To break that a down a bit further, in 2011, **240** districts served less than **10%** of their identified gifted student population. Of those districts, **157** provided no services at all to gifted students. In short, if you are a gifted student in Ohio, depending on the policy of your district, your academic needs may or may not be met. As shown in the

following map, there are large “black holes” of gifted education across Ohio, where no services are provided.



Along with services, gifted staffing has likewise plummeted over the past few years. Currently, there are approximately **1500** licensed gifted professionals working in the field in Ohio districts and ESCs. Considering that over **15%** of Ohio’s student population is identified as gifted, this level is highly inadequate. In school districts, licensed gifted staff has decreased by **17%** since the 2008/2009 school year. Gifted coordinator numbers have decreased by **32%** while the number of gifted intervention specialists has decreased by **14%**. In ESCs, where specific funding was maintained but not tied to gifted units until this past year, the decreases were less dramatic with a **7%** overall decline, a **9%** decrease in gifted coordinators and a **5%** decrease in gifted intervention specialists. Interestingly, there was a slight increase in gifted staffing in ESCs this past year as funding was once again tied to actual gifted units.

As gifted is not separated out as a sub-group for accountability purposes, it is difficult to know the overall state impact of the decline of services to gifted students, but it is clear that there is an impact, particularly on the growing gaps in achievement between sub-groups of students scoring at advanced levels on the Ohio Achievement Assessments (OAA) and the Ohio Graduation Test (OGT). For example, the gap between low SES and non-low SES students scoring at the advanced levels of math in the 10<sup>th</sup> grade is **29%**. (For full information, please go to the Mind the Gap State profile report – link provided below).

<b>2011 High Achievement Gaps in Ohio (Based on Ohio Assessments) – based on percentage of sub-groups scoring at Advanced levels</b>			
	White/Black Gap	White/Hispanic Gap	Low SES/Not Low SES Gap
<b>Math (10<sup>th</sup> grade)</b>	<b>31%</b>	<b>19%</b>	<b>29%</b>
<b>Reading (10<sup>th</sup> grade)</b>	<b>19%</b>	<b>13%</b>	<b>20%</b>

**Gifted Funding – A Short History**

As the subcommittee considers funding options for gifted education, it might be instructive to understand our past systems of funding:

**Unit Funding** – From the early 1970s to 2009, gifted funding was provided through a unit funding system. A unit was essentially one staff person – either a gifted coordinator or a gifted intervention specialist (teacher). The unit was funded based on the pre-2009 state minimum teacher salary schedule, so funding was approximately \$38,000 per unit. Districts and ESCs were required to fund the other portion of the unit. Units were allocated based on full district ADM not the number of identified gifted students in the district. While the value of the actual units that were funded was relatively low, no state share was applied to the amount, which was a benefit to higher wealth districts. There was also automatic accountability for the funding. Each gifted unit had to have a licensed gifted staff assigned for districts to receive unit funding. Only districts that wanted gifted units requested the funds. Units were based on ADM so there was no risk of over-identification. However, the level of gifted funding has always been so low, there was never a fiscal incentive to over-identify this population.

The gifted unit funding formula was never fully-funded. There were approximately **1100** units funded in the late 1990s and the number of units never really increased until the system was dismantled in 2009. In fact, throughout the 2000s, gifted funding remained fairly stagnant. Gifted units were funded at **1,110** units and extra funding was provided for gifted identification, gifted research and demonstration (R & D) projects and summer honors institutes including the Martin Essex program. In 2005, identification funds and summer institutes received a **10%** cut which was never fully restored. The gifted R & D funds were eliminated that year, as well. Eventually, in 2009, funding for the summer institutes was eliminated and gifted units were replaced in favor of a line item within the evidence-based funding model formula. It should be noted that from 2004 to 2009, while state per pupil funding increased by over **20%** and overall state education funding increased by almost **10%**, gifted funding increased by less than **3%**.

## Gifted Funding from DeRolph to the Evidence-Based Model

While Ohio's education funding system including the special education mechanism was overhauled in the late 1990s as a result of the DeRolph funding lawsuit, the gifted funding system was left unreformed. Because not all districts provided services to gifted students, policymakers decided they did not have enough information to recommend a funding solution. As a result, OAGC, through grants from the Ohio Department of Education (ODE) completed two cost studies which were based on data collected from districts. Both studies were validated by outside reviewers. The studies recommended weights based on staffing, identification, professional development, and curriculum needs. Consideration was given for different sized districts. For example, extra weights were provided for smaller districts to cover fixed costs. (For more information about the gifted cost studies, please see Gifted Weighted Funding – the link is provided below).

The recommendations from the studies were never implemented by the state. However, the information was used by the State Board of Education in their proposed funding system overhaul in 2009. Based on the cost studies conducted, the State Board of Education recommended in 2009 that gifted funding should move to a weighted funding system. Weights for coordinators, gifted intervention specialists and identification were developed. The State Board also recommended that services be required. The State Board plan was never implemented. (For more information, please see the OAGC Response to State Board Funding Recommendations – link provided below).

In 2010, under Governor Ted Strickland, the funding system was completely overhauled, and this time gifted funding was changed drastically. Gifted units and identification funds were replaced with new line items within the foundation funding formula. These items included funding for gifted coordinators and identification (fully funded in the formula) as well as gifted intervention specialists and professional development which were phased-in at levels of **20%** in FY2010 and **30%** in FY2011. Total gifted funding in the formula for FY2011 was approximately **\$60** million. Funding for ESCs was maintained at the 2009 level of **\$8.1** million. Based on deliberations of the Special Needs Subcommittee of the now defunct Ohio School Funding Advisory Council, several changes were recommended to the gifted formula enacted in HB1. (The link to the subcommittee report is provided below.) Unlike most of the areas in the evidence-based funding formula, specific spending rules were to be developed for gifted funding. They were to be in place by FY2012. During FY2010 and FY2011, districts were required to maintain the same level of funding that they received from the state in FY2009. Unfortunately, most of the state funding in FY2009 was provided through gifted units which required a local share to support the unit. The maintenance of effort no longer required state funds to be spent on gifted units. So, *even if met*, the maintenance of effort provision allowed districts to slash funding and staff for gifted students.

Before spending rules could be developed for the gifted funds, the evidence-based funding model was eliminated in FY2012 in favor of a temporary bridge formula. Because gifted funding for units and identification was included in the formula, gifted funding was combined with all other district funds. Gifted ESC funds were maintained at the **\$8.1** million level. The gifted maintenance of effort provision requiring districts to maintain levels of gifted funding at FY2009 was continued for the current biennium, but as funding is still not linked to gifted units, districts continue to cut services and staff.

As it stands today, funding for gifted has been in a state of undeserved purgatory for almost four years. Any new funding system needs to incorporate funding for gifted students not as an afterthought but as part of the full restructuring. It is clear from our current and recent past experience that with no service requirement, no academic accountability for growth and little accountability for funding, gifted students

will not receive adequate support in Ohio. If funding is to follow the gifted child, accountability needs to follow the child as well.

### **How Do Other States Fund Gifted Education?**

As Ohio tackles a new system of funding, it might be helpful to look at how other states fund gifted education. As there are no federal requirements or funding for gifted children, state practices in funding levels, funding mechanisms, and policy considerations vary widely. Based on information from the most recent State of the State of Gifted Education report (see link provided below), the amount of gifted funding by states varies from zero to **\$300** million (Georgia). North Carolina currently spends about **\$72** million. Florida spends **\$267** million. Gifted services are required in both of these states, which policymakers in Ohio often like to view for policy ideas.

There are many different types of gifted funding systems throughout the United States. Based on a survey with **26** states responding, the majority of states fund gifted education through a formula (**20** states) and of those states, most used weights to distribute funding (**17** states). Other states use discretionary funding by application (**4** states) or resourced-based funding (**4** states). Unit funding would be considered a resourced-based funding system. Of the **26** states responding to the survey, **20** states reported all identified gifted students were served, and four states report that **80%** of all identified students were served. Ohio reported **20%** gifted service levels, and that figure has since decreased. Twenty eight states require gifted services with **19** providing partial funding, **4** providing full funding, and **5** providing no funding.

### **Observations, Advice, and Input**

As the subcommittee completes regional hearings and begins the work of creating a new funding system, I would offer the following as someone who has worked with gifted funding issues for almost two decades:

#### **1. Beware of Gifted Funding Recommendations from School Funding Experts**

While school funding experts usually have very specific approaches to major components of a school funding system, they typically have very little knowledge or concern about how gifted students should be funded. A few notable examples include:

- John Augenblick – This school funding expert was brought to Ohio to address a new funding system after the DeRolph decision. He proposed a weight of **.1** for gifted students beyond general per pupil funding. There was no policy or evidence to support the weight. Dr. Augenblick readily admitted the weight was not based on any cost study. He just needed something to complete the funding system.
- Allan Odden and Richard Picus – In the original evidence-based model for Ohio, Odden and Picus chose an amount of **\$25** per gifted student to fund gifted education. The amount was based on a seat license fee for enrichment software – a wholly inappropriate way to fund or support gifted students. (For more details, please see full OAGC analysis of this approach – link provided at the end of testimony.)
- Marguerite Roza – One of the current school funding experts in vogue, Roza assumes “high needs students” are only high poverty students requiring remediation, that all gifted students reside in low poverty areas, and that in a school-based funding system, there is expertise in all of the various areas to be able to design credible services. Aside from her well-documented dislike of funding for Advanced Placement courses, she appears to have little to recommend in terms of equitable and adequate gifted funding based on high outcome standards.

- Nathan Levenson – Another trendy funding expert, Levenson devotes three sentences and a single deadly entry in a chart to gifted students in his recent book “Smarter Budgets, Smarter Schools.” Levenson recommends using highly trained experts rather than paraprofessionals for some special education students and cautions against the use of technology as a cure all to meet student needs. Yet, for gifted students, he blithely recommends replacing gifted staff with paraprofessionals. These individuals would supervise gifted students in online-only settings. Clearly, Levenson has no idea how challenging gifted students can be to teach and manage in a classroom. His solution is a clear recipe for mayhem. His suggestion that gifted students move along in the curriculum when they are ready through online mastery-based programs is fine in theory. But it is not a recommendation that can be applied in all districts and for all students. He fails to understand that until students can take end-of-grade level summative assessments on demand, districts will not allow students to move to the next grade level curriculum in the middle of the year. While technology can indeed be *part* of the solution for serving gifted students, it is not a panacea. Placing a gifted kid in front of a computer all day supervised by untrained staff is not a reasonable solution for improving academic growth or for providing a funding solution for this population. In general, Levenson’s work should be treated with some caution. His ability to use techniques in specific school districts is laudable and should be reviewed by individual districts. But it is highly unlikely that state level policy can or should be extrapolated from his work. For example, his use of “tech-savvy moms” to provide school technical support may work in wealthy suburban areas, but it is an idea this will not be useful for most districts.

In fact, very few funding experts have provided a good policy and cost based rationale for funding gifted education. However, there are a few who have given the matter more thought than others:

- Bruce Baker and Jay McIntire (2002) reviewed various methods of funding for gifted education and evaluated the pros and cons of each method based on measures of both adequacy and equity. (Link provided below). The study is a decade old now, and many of the states listed in the study have changed funding mechanisms. However, the basic analysis is still useful and could help guide the process for determining an appropriate funding method for Ohio.
- John Augenblick apparently learned his lesson regarding gifted funding in Ohio and developed a fairly detailed methodology for gifted funding in his Pennsylvania cost study (2008). His solution was a weighted funding system with differentiated weights for gifted funding based on levels of wealth and size of the district. (A link to the Pennsylvania study is provided below).

## **2. The Application of Funding Reform Concepts Do Not Always Fit Gifted Students Well**

There are number of funding reform concepts that are currently popular. While in theory they may hold promise, in practice they are not always useful for developing a gifted funding model. A few of these concepts include:

- **Student-based performance** – The concept is that funding can be tied to the level of student performance including sub-groups. Unfortunately, in Ohio, we do not have the ability to measure student growth adequately for gifted students. Until there is a sub-group and some ability to identify growth for these students (as North Carolina is now working toward), there is no ability at the state level to see how well gifted students are performing. The other issue is that Ohio only measures growth in math and reading. The state also needs to determine ways to measure growth in the other content areas and to develop an appropriate way to measure achievement for students identified in the areas of superior cognition, creative thinking, and visual and performing arts.
- **Outputs vs. Inputs** – Again, without the ability to actually measure gifted student growth, it is very difficult to move solely toward an output-based system. There are no current outputs that are

reasonable for gifted. It will take several years to develop these outputs, and even then they may be incomplete. If an output-based system is implemented before these measures are in place, gifted students will continue to be ignored in districts. Without some link to inputs or resources specifically tied to support gifted children, funding will be diverted as we have clearly seen in Ohio and other states.

- **Providing Alternative Service Providers** – Some funding gurus are pushing for alternative options for students whose districts are not providing appropriate opportunities. Unfortunately, unlike some states, there are few choices for gifted students in Ohio outside of typical public districts. Here are a few alternative service/choice ideas that have been rejected in the past by the Ohio General Assembly:
  - Gifted regional schools
  - Gifted vouchers
  - Gifted community schools in areas of high need
  - Open enrollment for gifted students not served in their local districts
  - Gifted virtual schools with statewide access
  - Residential gifted STEM schools (such as the number one rated high school in Kentucky)

None of these alternatives can ever completely replace the need for systemic opportunities in all of Ohio's districts. But they can be helpful in improving services --particularly in the black hole areas of the state where districts do very little for this population.

### **3. Funding is Not the Only Driving Issue; Accountability and Assessments are Critical Factors**

A new funding mechanism alone will not be sufficient to ensure that gifted students are well-served in Ohio. It is well-documented both in Ohio and in other states (most notably California where services decreased by **40%**) what happens when there is no accountability for gifted funds flowing to the districts. Gifted children lose when gifted state funds are diverted to other purposes. If we are not going to return to a resource-based funding system in Ohio for gifted students, than required service must be part of any funding method.

- Accountability -- For gifted children to truly be part of the funding system, they also need to be fully part of the academic accountability system. There currently is no true academic accountability for gifted children in Ohio. Gifted students must as a minimum be broken out as a sub-group so that we can view value-added data for this population. Without this data, we will never be able to evaluate specific service settings at a statewide level. We need to be able to compare the difference between districts currently pretending to serve gifted students in the classroom with differentiated instruction versus those districts that are accelerating and actually changing the instruction and curriculum for this population. The most recent version of the ODE NCLB waiver request is silent on gifted performance. It is critically important to get the correct metrics to track gifted academic performance as well as the appropriate identification and service opportunities for this population. In addition, general measures such as ACT scores, college remediation rates, and access to higher level courses should be considered as our accountability system is revised. It should be noted that North Carolina's NCLB waiver request includes gifted as a sub-group to track value-added progress. North Carolina also requires that district gifted service plans are audited after a statewide report showed misuse of gifted funding.
- Assessments -- The inability to allow for above-grade level testing is also problematic. We need to be able to allow our high achieving students to show growth without having districts fear that these students will hit the test ceiling. We also need to handle accelerated student assessment in a

thoughtful, systemic manner. The current ODE method is nonsensical. In addition, we need to allow students to access the OGT and OAAs when they are ready, and to provide an incentive to districts to allow students to move forward when ready. (STEM schools already are able to allow students early access to OGT.)

#### 4. Size Matters

Having worked with gifted funding issues on macro and micro levels for almost twenty years, I can tell you that district demographics need to be considered in determining appropriate levels of funding. The services that can be offered in a large, urban setting are very different from those in small, rural districts. Any new funding system needs to account for differences in districts. Per pupil weights for gifted students will likely need to be increased for smaller districts because of the fixed costs associated with identification, development of services, curriculum, and professional development that should occur in all districts regardless of size.

#### 5. Common Core is Not a Cure for Providing Gifted Students with Rigorous Curriculum

There is a pervasive notion among educators that once the Common Core curriculum is implemented in Ohio, the “gifted problem” will be solved. Unfortunately, there are signs that the opposite may be the case. There is no evidence that *any* general education curriculum will ever be sufficient to meet the needs of most gifted students without substantial modification. ODE has made no effort at this point to differentiate common core standards or lessons for gifted children. At the district level, modification typically only occurs if there are gifted professionals looking at test results and advocating within the district for changes. It is troubling that we are already seeing some districts that are prohibiting acceleration as they believe the common core will be “too tough” to handle. We saw this phenomenon before when the current version of Ohio’s standards were implemented. Scores of districts prohibited students from taking biology as freshmen in the mistaken belief that students would not test well on the science section of the OGT. The fears were unfounded, but many students were unable to take advanced courses in science as a result of these misguided curriculum calls. A recent study on the “Algebra for All” approach showed that when all students in a set of districts were required to take Algebra, achievement levels for high achieving students in the new mixed ability classes declined. It is noteworthy that the study also showed that achievement levels for low achieving students did not increase. (Please see link to the report below).

#### Concluding Remarks

Gifted children are often put on the back burner at both the local and state level in Ohio. As long as they pass the state achievement tests, there really is no incentive to do anything more for these children. The myth that gifted students will “get it on their own” and that gifted education is an elitist proposition does not help the situation. But the truth is, gifted children do not get it on their own, and there can be considerable downside when their academic and social/emotional needs are unmet. The only thing that is elitist about gifted education in this state is the fact that until districts are required to meet their needs, only those families who have the resources and knowledge to do so will be able to ensure that their gifted children will be educated appropriately. I recently received an email from a frustrated parent of an unchallenged gifted student in an excellent-rated school district. She sums up the issue far better than I can. She writes, “I had a ... teacher who was in a classroom tell me one day that ‘gifted is elitism and will not be tolerated in this country!’ I had never heard such a thing and could not even grasp what he meant. Especially since we qualify for free lunches, I drive a twelve year old car and shop at Walmart. Have people really lost their minds!!!” I would argue that for this parent, gifted education is elitist. She will never be able to afford to provide what her children need. Her children will be left out of a free and appropriate

education until Ohio policymakers decide that her children deserve to be educated according to their needs.

There is no magic solution to gifted funding in Ohio. Given the effective **90%** decline in funding in the past biennium, there clearly needs to be more gifted funding. There also needs to be accountability for that funding along with accountability for the academic performance of gifted students. These elements all need to work within the structure of overall education reform. OAGC will be more than happy to gather data, provide input, and to work with the subcommittee as they create a new funding system.

Thank you, once again, for the opportunity to testify. I would happy to answer any questions committee members might have.

#### Useful Links

- Grading on a Curve -- [http://www.oagc.com/files/OAGC\\_special\\_report\\_final\\_low\\_res-11.10.11.pdf](http://www.oagc.com/files/OAGC_special_report_final_low_res-11.10.11.pdf)
- Mind the Gap – Excellence Gap State Profile -- <https://www.iub.edu/~ceep/Gap/excellence2/OH.pdf>
- Gifted voucher article -- <http://giftedphoenix.files.wordpress.com/2011/06/old-article-on-gifted-vouchers.pdf>
- Gifted weighted funding discussion – includes a summary of the OAGC gifted cost study and the John Auguenblick PA cost study -- <http://www.oagc.com/files/Gifted%20Weighted%20Funding%20Discussion.5.08.pdf>
- OAGC Response to State Board of Education Funding Recommendations -- <http://www.oagc.com/files/GiftedFundingReformandResponse%20to%20SBE%20plan.12.19.08.pdf>
- State of the State of Gifted 2010-2011 <http://www.nagc.org/stateofthestatesreport.aspx>
- School Advisory Council Special Needs Subcommittee report -- <http://www.oagc.com/files/7.28%20Special%20Needs%20Subcommittee%20ReportFinal.pdf>
- Evaluating Gifted Funding Systems – Bruce Baker -- [http://oagc.com/files/Evaluating%20state%20funding%20for%20gifted%20education%20programs.Baker\\_.pdf](http://oagc.com/files/Evaluating%20state%20funding%20for%20gifted%20education%20programs.Baker_.pdf)
- Checker Finn new report -- <http://educationnext.org/exam-schools-from-the-inside/>
- OAGC response to Odden and Picus treatment of gifted -- <http://www.oagc.com/files/Response%20to%20Odden%20and%20Picus%20Defense%20of%20Gifted%20Funding%20in%20the.pdf>
- The Unintended Consequences of an Algebra-for-All Policy on High-Skill Students: Effects on Instructional Organization and Students' Academic Outcomes <http://epa.sagepub.com/content/early/2012/07/30/0162373712453869.abstract> and [http://blogs.edweek.org/edweek/curriculum/2012/08/the\\_push\\_for\\_algebra-for-all\\_p.html?cmp=ENL-EU-NEWS2](http://blogs.edweek.org/edweek/curriculum/2012/08/the_push_for_algebra-for-all_p.html?cmp=ENL-EU-NEWS2)

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