

Brief on JLARC Report: Efficiency and Effectiveness of K-12 Spending

Dr. Cynthia A. Cave

Assistant Superintendent for Policy and Communications

Virginia Board of Education

Committee on the Standards of Quality

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Study Mandates

- **SJR 328 (2013) directed JLARC to “study the efficiency and effectiveness of elementary and secondary school spending in Virginia”**
- **2014 Appropriation Act (Item 30) directed JLARC to examine virtual instruction**
- **JLARC received the report and authorized its printing on September 14, 2015.**



K-12 Spending in Virginia

Virginia school divisions collectively spent \$15.6 billion on K-12 education for 1.27 million students in FY 2014.

About two-thirds of total spending was on instruction (salaries and benefits three-fourths of total).

School divisions rely primarily on local and state funding, and a majority of total funding comes from localities.



JLARC Findings

Virginia is close to the national average in total spending per student on K-12 education.

Virginia relies more on localities to fund K-12 than other states. Virginia's localities pay the highest share of total K-12 spending in the Southeast region.

Virginia's students score above the national and Southeast average in reading and mathematics on the National Assessment for Education Progress.



JLARC Findings

Divisions spend less to educate each student than a decade ago

In FY 2014, the average Virginia school division spent seven percent less to educate each student than it did in FY 2005—nearly 85 percent of school divisions spend less per student.

Virginia divisions reduced non-instructional spending, particularly related to facilities, by more than instructional spending.

The proportion of total spending devoted to classroom instruction increased from 63.1 to 65.1 percent.



JLARC Findings

Nearly all divisions reduced instructional spending, but also report being less effective

The average Virginia school division spends nine percent less per student for instruction than in FY 2005.

The 112 divisions that spent less in FY 2014 than in FY 2005 educate 95 percent of the state's students.

The magnitude of the decline ranged widely across divisions. Many divisions are educating a higher proportion of students with more resource-intensive needs.



JLARC Findings

Divisions reduced per-student spending on instruction through a combination of employing fewer teachers per student, limiting teacher salary growth, and requiring teachers to pay a higher percentage of health insurance and retirement benefit costs.

Divisions report that spending reductions are hindering instructional effectiveness and creating challenges affecting teacher preparation and alignment of curriculum with state standards.



JLARC Findings

Some divisions can improve facilities and transportation efficiency

In FY 2014, the average Virginia school division spent eight percent less per student to operate and maintain its facilities than in FY 2005.

- Reduction of spending on facility renovation and construction and deferring new projects and maintenance

The average division spent about the same per student on transportation in FY 2014 as it did in FY 2005.

- In some cases, bus purchases deferred



JLARC Findings

There are opportunities to gain relatively small non-instructional spending efficiencies in some divisions, for example:

- Energy efficient practices at facilities
- Technology to improve the efficiency of bus operations and routing



JLARC Findings

Virtual learning is a small but growing aspect of K-12 education

- Online learning generally costs less than educating a student in a physical school.
- School divisions reported that the greatest challenge with online learning programs is course completion.
- Research comparing the effectiveness of online and in-person instruction is limited and inconclusive.



JLARC Findings

Virtual Virginia's inclusion of a fully online high school program and HB 324 (2015)—if reapproved by the 2016 General Assembly—will provide useful test cases for application of virtual learning.

There is currently no reliable statewide information comparing student performance at virtual and physical schools.

There is no accurate statewide method to estimate how much funding the state should provide for virtual learning.



JLARC Recommendations & Options

Legislative action - Funding

- Provide funding for VDOE to employ up to six additional staff to provide guidance and assist school divisions in sharing information about facilities management best practices and transportation management best practices (three each).
- Option: Provide funding for VDOE to employ additional staff to provide teacher training and curriculum development support to the school divisions that would most benefit from state assistance.



JLARC Recommendations & Options

Legislative action – other

- Require the Superintendent of Public Instruction to track teacher turnover and report annually to the General Assembly and governor the numbers of and most common reasons for teacher turnover
- Allow school division employees to participate in the state employee health plan



JLARC Recommendations & Options

Executive action

- VDOE should provide guidance and facilitate information sharing among divisions regarding facilities and transportation management best practices.
- VITA, in cooperation with VDOE, should assess the feasibility and potential savings of a statewide contract for school bus routing and monitoring software, and if feasible and likely to produce savings, develop such a contract.



JLARC Recommendations & Options

Executive action – continued

- VDOE should collaborate with the board and/or staff for any statewide fully online school created in Virginia to develop and distribute informational materials to facilitate informed decisions about enrolling children in fully online schools.
- With growth of virtual learning, VDOE should analyze and report student effectiveness data and develop a cost methodology.



JLARC Request for More Information

Virginia's ranking compared to other states for percentage of total K-12 funding from the state and localities.

Change, by each school division, over time in total spending per student, as well as state and local funding per student and state funding for non-instructional spending categories.

Percentage of total instructional staffing that are teachers and other instructional staff.



JLARC Request for Information cont.

Definitions of instruction and non-instruction for both staffing and spending.

Virginia's ranking compared to other states for the change over time in the percentage of students in poverty and with limited English proficiency.

Number and type of non-instructional staff, per student, by each school division.



JLARC Report

The full report is available online at
<http://jlarc.virginia.gov/pdfs/reports/Rpt472.pdf>

