

Competency-Based Education Funding Report

H.B. 393 (2013)



Prepared by the
Utah State Office of Education

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Competency Based Funding Options

The legislature through H.B. 393 directed the State Board of Education to provide to the Education Appropriations Subcommittee a recommendation concerning how the public school finance formula could be amended to include competency based funding. This statute includes two sections including developing a competency based funding unit and providing the ability for LEAs to develop competency based programs which are funded on the course level and are not dependent on seat time. Course level funding would be provided when a student has shown competency in the subject matter associated with the course or courses included in the program.

Competency Based Unit

Students in Utah are assessed for competency in several areas including:

- Third Grade Math and Reading
- Sixth Grade Math and Language Arts
- Eighth Grade Math and Language Arts
- ACT Test for College and Career Readiness
- High School Graduation

The Legislature will through statute establish a Competency Based Unit (CBU) and annually through the appropriation process set the value of the CBU. It is recommended that the initial value of the CBU be established at \$1,500.

A student enrolled in the public education system will have the capacity of generating one CBU during the student's time in the education system. When the student demonstrates competency through passing one of the key assessments at a level determined as proficient, a portion of the CBU, as determined in statute, will be paid to the LEA in which the student is enrolled. LEAs will receive funding based on the number of students who have shown competency. If a student is enrolled in multiple LEAs at the time of demonstrating competency, the CBU payment will be prorated based on the portion of the school day attributable to each LEA providing educational services to the student.

The State Board of Education will establish competency standards for each of the key assessments associated with the CBU. State Board rules will be established concerning accounting for the number of students showing competency and payment processes.

Example:

CBU Value - \$1,500

<u>Assessment:</u>	<u>CBU Generation</u>	<u>Funding</u>
Third grade Reading Assessment Score at Competency Level	.20	\$ 300
Fifth Grade Math Assessment Score at Competency Level	.25	375
Eight Grade Math Assessment Score at Competency Level	.25	375
ACT Score Showing College and Career Readiness	.20	300
High School Graduation	<u>.10</u>	<u>150</u>
Total	1.00	\$1,500

Course Level Funding Formula

The second section of HB 393 defines a course level funding formula that distributes funds to LEAs that establish competency based education programs. Funding for a competency-based courses must partially distribute funds based on initial enrollment; distribute remaining funds based on a student's successful completion of a course through demonstrated competency and subject mastery; and not be dependent on the amount of time a student is instructed in the course or the age of the student. Funding for a competency-based course must be based on a proportionate share of funding generated by the weighted pupil unit.

The funding requirements contained in HB 393 mirror very closely the current funding model used in the Statewide Online Education Program with the small difference that the Statewide Online Education Program the funding amount is determined by content, rather than a proportionate share of funding generated by the weighted pupil unit.

Based on the similarities between the requirements of the course level funding formula and the current funding formula utilized by the Statewide Online Education program, we suggest that the new Course Level Funding Program incorporate the online education program. The online education program would become a subset of course level competency based funding. In other words, the Course Level Competency Based Funding Program could include various optional education delivery methods including a more traditional school based system, online education or a combination of both.

In this scenario, the same course based funding model and funding amounts would be used for all competency based programs to provide the same level of funding for completing a competency based course regardless of the method of delivering the educational experience.

USOE is currently in process of programming a computer database to enable tracking of the increased level of participation in the Statewide Online Education Program. A more robust system of this type would be required to minimize the amount of human intervention if additional course based competency programs were added. Additional manpower resources in School Finance and USOE IT Services would be required to implement the database systems and manage this program if implemented.

USOE recommends that if the Legislature were to establish a course level competency based system that the statutory language which currently states that a LEA which establishes a competency based education program shall, "submit the competency based curriculum standards to the State Board of Education for their review" be changed to require approval of the State Board of Education rather than just review. This would allow USOE to require somewhat uniform standards of competency across LEAs in the state and limit the risk for fraudulent activities in claiming funds for students who may not have actually reached competency.

The following chart outlines the current Statewide Online Education Program funding formula which we recommend be expanded to include all course based competency programs.

Utah's Competency-Based Funding Model for the Statewide Online Education Program (53A-15-1206; 53A-15-1208; 53A-15-1209)			
Credit	Fee		Competency Basis (R277-726-1; R277-726-7; 53A-15-1206)
1	25%		Confirmation – Course-wise enrollment is confirmed within UTREx; "Active Participation" as defined by the Provider is confirmed.
	25%		Continuation – "Active Participation" as defined by the Provider is confirmed for second semester of a 1.0 credit course; <i>in order for the student to "continue," the student must have completed the first .5 credit value with a passing grade, appropriately demonstrating subject-matter competency.</i>
	Completion 50%		Completion – Completion of second .5 credit value of a course (confirmed within UTREx) within applicable time period (1 year). <i>Student has completed first and second .5 credit values with passing grades, appropriately demonstrating subject-matter competency across all course content.</i>
	Remediation 30%		Remediation – Prior to student graduation and after applicable time period (1 year), a student completes both agreed-upon .5 credit segments of a course <i>with passing grades, appropriately demonstrating subject-matter competency across all course content.</i>
0.5	50%		Confirmation – Course-wise enrollment is confirmed within UTREx; "Active Participation" as defined by the Provider is confirmed.
	Completion 50%		Completion – Completion of .5 credit value (confirmed within UTREx) within applicable time period (9 weeks past semester end). <i>Student has completed .5 credit value with a passing grade, appropriately demonstrating subject-matter competency across all course content.</i>
	Remediation 30%		Remediation – Prior to student graduation and after applicable time period (9 weeks past semester end), Provider certifies student completion of credit <i>with passing grade, appropriately demonstrating subject-matter competency across all course content.</i>
Tier	Statutory Cost	Credit Value	Content Basis (i.e. Cost Category)
A	204	0.5	Financial Literacy
			Health
			Fitness for Life
			Computer Literacy
			Driver Education
B	255	0.5	Core Curriculum, Fine Arts and CTE
			Other Elective Credits
C	306	0.5	Core Curriculum, Social Studies except Concurrent Enrollment
			World Language except Concurrent Enrollment
D	357	0.5	Core Language Arts, Math and Science
			Concurrent Enrollment