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Education Interim Committee
Pad McCracken, Research Analyst

FUNDING FOR GIFTED AND TALENTED EDUCATION IN OTHER STATES

The information in this brief is compiled from three different sources that were generally but not entirely consistent in their reporting. The National Association for Gifted Children produced the 2014-2015 State of the States in Gifted Education, which is based on survey responses from state directors of gifted education. Two other organizations maintain information on state policies and funding for gifted and talented programs: The Davidson Institute and EdBuild.

As a reminder, **Montana** provides $250,000 in state funding annually through a grant program that requires a 1:1 local match. Allocations are roughly $5,000 for school systems with < 2,500 students and $25,000 ≥ 2,500 students. Montana has about 145,000 students. State funding for gifted education equates to less than $2/student.

The Davidson Institute database lists 37 states as mandating programs for gifted and talented students with 24 of these states providing what is described as partial funding, only 4 states providing full funding, and 9 providing no funding.

The four states described as providing full funding do so in a variety of ways:

Iowa requires a district match of $1 for every $3 in state funding and added $38 to its state per pupil funding component in 1999 earmarked for gifted education. This amount receives an annual inflationary adjustment.

Oklahoma uses a weighted student formula and adds a weight of .34 for each identified gifted and talented student. This equates to about $47 million for Oklahoma's 690,000 students or about $68/student. There were 97,000 students identified as gifted in Oklahoma; this equates to an identification rate of 14%.

Georgia uses a weighted student formula and adds a weight of .6609 for each identified gifted and talented student.

Florida uses both a supplemental allocation on top of its basic funding formula and a grant program to support gifted and talented programs.

Montana's neighboring states approach gifted and talented funding in a variety of ways:

North Dakota provides $800,000 in reimbursements to districts for gifted and talented expenditures. North Dakota's public school enrollment is about 105,000 students, so roughly $8/student for gifted education.

South Dakota does not provide funding for gifted and talented education.

Wyoming provides $2.6 million for its nearly 100,000 students through a roughly $25/student component in the funding formula.

Idaho recently appropriated $1 million for its nearly 300,000 students. Half of this money will be distributed in flat grants of about $3,000 to districts for professional development and identification. The other half will be distributed based on numbers of identified students, about $30/identified student, not to exceed 6% of a district's total enrollment.

Despite the variation in how gifted education is funded across the country, several common policy considerations emerge (**MT** indicates that Montana's G&T funding utilizes this strategy):

1. In providing state funding, how can the state avoid incentivizing overidentification?
    a. Some states avoid this by simply providing funding based on total enrollment rather than on identified students. **MT**
    b. States that base funding on the number of identified students may set a cap on the percentage of students that can be identified.
    c. Grant programs, reimbursements of actual expenditures, and local match requirements can also help. **MT**
2. How can states ensure that funding provided for gifted and talented programs is expended on gifted and talented?
    a. Quite simply, strict financial accountability requires specific accounting codes. States that utilize reimbursement programs or local match requirements may require districts to report expenditures using specific accounting codes. **MT**
    b. Grant programs that require districts to submit plans for how grant funds will be expended offer some assurance as well. **MT**
    c. Funding that is based on number of identified students offers an assurance that districts are at least identifying gifted students. **MT**
3. How can state funding distributions help ensure that small and geographically isolated districts are able to offer robust gifted and talented programs?
    a. A number of states utilize online and other distance learning to try and provide opportunities in rural communities. Regional education service agencies can also provide support. **MT**
    b. Reimbursement models can also help address different economies of scale in providing gifted education. If a small district needs to spend more, it would be eligible for a greater reimbursement.
    c. Idaho's approach is similar to Montana's combination of basic and per-ANB entitlements in our main funding formula which provide a minimum level of support to all districts, no matter how small.
    d. Montana's current allocation of grant funds based on school system size also addresses economies of scale to some degree. **MT**

In terms of policy considerations, Montana's funding for gifted education appears to address the common concerns; however, the overall level of support is low when compared to many other states. The grant allocations are small and the majority of districts do not even apply. Increasing state funding for grants may incentivize more districts to apply for grants and do more to identify and serve gifted and talented students. One potential issue with the current grant program is that it creates a significant "cliff effect" for a school system with just under 2,500 students. Adopting a distribution like Idaho's, with a minimum payment for small districts and then additional funds based on identified G&T students or ANB would be one way to address this. This mechanism could include a cap for large systems, which would help distribute state funding more widely.