



Student Enrollment Count Mechanisms for School Funding: A Survey of State Policies

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States use different mechanisms for counting students for the purpose of funding school districts. These approaches have important consequences for retaining students in school through the academic year and accurately compensating districts for the students in their schools. This report provides an overview of count date policies used in all 50 states and an analysis of the implications of those policies for school funding and student completion.

Considerations for Colorado

As state policymakers consider whether and how to establish a new student enrollment count for Colorado, it is important to understand the variations in these mechanisms among states, the specific characteristics of each approach, and their advantages and disadvantages. State decision-makers must also recognize how changing Colorado's current single October 1st count date would impact funding for districts and their incentives to retain students throughout the academic year. Because districts in states with a single count date receive all of their funds based on that count, they lack a financial incentive to retain all students after that date. Finally, district funding needs are also a key consideration for this policy decision. Because certain count mechanisms, including Colorado's single count date of October 1st, do not account for students who enroll or return to school after the count date, districts in these states do not receive the funding necessary to effectively serve and educate those students. Depending on whether a new student count mechanism is selected, which mechanism is selected, and the implementation of a change in policy, some districts could gain funding and some districts could lose funding.



Overview of Commonly Used Student Count Mechanisms

- **Single Count Date** – a count on one day near the beginning of the academic year
- **Multiple Count Dates** – a calculation based on two or more count dates during the year
- **Average Daily Attendance (ADA)** – an average of a daily count during all or most of the year of students *in attendance*
- **Average Daily Membership (ADM)** - an average of a daily count during all or most of the year of students *enrolled*
- **Single Count Period** – an average of a daily count during an established period of time near the beginning of the year
- **Multiple Count Periods** – an average of a daily count during two or more periods of time during the year

Year of Funding

Each of the mechanisms can apply the count to district funding for the year in which the count was taken, or for the subsequent year. Such options are discussed in more detail on page 4.

Single Count Date

The single count date is a count of the number of students in attendance in each school district on a particular date – usually on or around October 1st, which is when the federal government requires a count of the number of students eligible for the free and reduced price lunch program for purposes of Title I funding. An advantage of the single count date is that it is relatively simple to administer and thus minimizes state costs. But, there are several disadvantages to this strategy. First, the single count date does not give school districts a financial incentive to focus on retaining students after the count date. Second, in most cases, enrollment rises or falls somewhat from fall to spring. So, by basing funding on one fall count, districts are either over-funded or under-funded. Third, because school districts do not receive funding for students who enroll in their school after October 1st, they lack a financial incentive to enroll out-of-school youth who try to reenroll after the count date. For example, using a single count date negatively impacts districts with a high level of seasonal employment in their communities, such as resort communities where student enrollment can increase during the ski season.

States using a single count date (13): Colorado, Georgia, Connecticut, Indiana, Iowa, Kansas, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, Utah, and West Virginia

Colorado Examines a Change to Student Count Policy

In 2010, Colorado lawmakers decided to examine a change in the state's student count policy by enacting a study of Average Daily Membership and other mechanisms. The bipartisan state legislative Interim School Finance Committee unanimously endorsed this student count study bill in 2009, and the resulting legislation (Senate Bill 8) required that findings and recommendations be submitted to the state legislature, the State Board of Education and the governor by December 2010. Under the new law, the study must be informed by an advisory committee comprised of school district and state officials, researchers, legislators, a teacher, and national and state policy experts. The study will examine: advantages and disadvantages of different enrollment count methods; the incentives created by count dates on school attendance and enrollment; policies in other states; effects on school finance; and a cost analysis of developing a data system in implementing a change.

Multiple Count Dates

States that use multiple count dates take a count of the number of students enrolled or in attendance on two or more nonconsecutive dates. These states usually have two count dates – one in the fall and the other in the winter or spring – with some specific percentage (often 50 percent) of a district's funding based on the first count and the remainder based on the second. While requiring more resources than a single count date, this policy is still fairly simple to administer. Using multiple count dates encourages districts to retain their students throughout most of the year, and it also provides a more accurate enrollment count than the single count date. Using just a few count dates, however, still translates into a large degree of inaccuracy and places pressure on schools to ensure that students are in attendance or enrolled for those two to four days during which the count is conducted.

States using multiple count dates (7): Alaska, Arizona, Louisiana, Maine, Michigan, Montana, and Wisconsin



Average Daily Attendance (ADA)

States that use ADA fund districts based on an average of a count conducted every school day of students in attendance throughout the school year. For purposes of this report, we have included in this category one state that conducts the daily counts of students in attendance for most of the school year. Under ADA, absent students are excluded from the daily count and the district's average is lowered accordingly. This component encourages school districts to improve attendance to avoid funding reductions. This full-year count is the most accurate in funding students who attend school and provides districts with the financial incentive to keep them in school and in attendance. School districts in several states that use ADA cited this mechanism as another means to bolster their attendance policies. A disadvantage of ADA is that districts' funding is reduced when students are absent, regardless of whether they are excused or unexcused. This mechanism may also entail greater state administrative costs because of the ongoing counts.

States using ADA (7): California, Idaho**, Kentucky, Mississippi, Missouri, New York and Texas

**Idaho counts the 28 weeks in the school year with the highest ADA

Average Daily Membership (ADM)

States that use ADM fund districts based on an average of a count conducted every school day of students enrolled in a school throughout the school year. For purposes of this report, we have included in this category the two states that count enrolled students for most of the school year. ADM differs from ADA because the daily count includes absent students. Advantages of this approach include a more accurate student count, a financial incentive to keep students in school all year, and no negative funding effect on districts for absent students. However, because ADM is based on students being enrolled – whether or not they are attending classes – this method provides no financial incentive for boosting attendance. Also, because ADM involves more counts, or ongoing counting and reporting, it might be more time-consuming and costly to administer.

States using ADM (16): Arkansas**, Delaware, Florida, Minnesota, Nebraska, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont and Virginia**

**Arkansas counts during the first three-quarters of the school year; and Virginia counts from the beginning of the school year through March 31.



Single Count Period

Several states use a single count period, characterized by a specific, multi-week period, typically at the beginning of the school year that occurs for less than half of the school year. Some of these states include absent students in this count and others do not, and some of these states refer to this method as ADA or ADM because they average each daily count during the period. This report does not characterize the policy this way because the count is for less than half of the school year. The single count period yields a more accurate count than a single count date, but as with the single count date, provides no financial incentive for school districts to retain or accept students after the period ends. Also similar to the single count date, this approach does not allow for state funding of districts that enroll students after the count period ends.

States using a single count period (3): Alabama uses ADM of the first 20 days after Labor Day; New Mexico and Wyoming use ADM of the first 40 days of school.

Multiple Count Periods

Two states, Illinois and Ohio, use the multiple count periods approach to fund districts based on an average count of more than one specified period of time – week, month, multiple weeks/months – during the school year that amounts to less than half of the school year. Ohio uses a period at the beginning of the year and later in the year and Illinois allows districts to use a specified number of months with the highest number of students in attendance. Ohio includes absent students in this count (ADM) and Illinois does not (ADA). For purposes of this report, we have not included these two policies in the ADM or ADA categories because the counts are for less than half of the school year. Multiple count periods are more accurate than single count dates or periods and multiple count dates, and provide districts with more of a financial incentive to retain students. However, this mechanism is less accurate and provides less of a financial incentive to schools to keep students enrolled than counting students every day. But, partial year counts, such as multiple count periods and the single count period, may offer states lower administrative costs than longer counts.

States using multiple count periods (2): Illinois uses ADA of the three-month period with the highest student attendance; Ohio uses ADM of the first full week in October and the first full week in February.

Other Approaches and Conditions

- Washington state funds school districts based on the number of teachers required to staff schools.
- Hawaii has only one school district, so this issue is not applicable in that state.

Year of Funding:

Regardless of the mechanism, some states use counts for the current school year, some use counts for the subsequent school year, and one state uses counts from the current year and previous year as a basis for funding districts.

- Examples of states that apply the count to the current school year: Colorado (October 1st of current school year); Nevada (last school day of first month of school year); Ohio (average of first week in October and first week in February).
- Examples of states that apply the count to the subsequent school year: Iowa (third Friday of the September of the prior year); Kentucky (prior year final ADA); Maine (October 1st and April 1st of year prior to the year of funding; Massachusetts (October 1st of previous year).
- Example of a state that applies counts from the current and previous years: Michigan (February count date from previous school year and September count date from current school year).

Sources: National Center on Education Statistics, *Public School Finance Programs of the United States and Canada, 2001*; state departments of education websites; and state statute and legislative websites.

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