Commission to Study School Funding (RSA 193-E:2-e)

Meeting Minutes
August 10, 2020, 2-4 pm

Website: https://carsey.unh.edu/school-funding
http://www.gencourt.state.nh.us/statstudcomm/committees/1506/

Commission Attendance: Dave Luneau, Dick Ames, Rick Ladd, Jane Bergeron-Beaulieu, Val Zanchuck, Barbara Tremblay, Chris Dwyer, Bill Ardinger, Iris Estabrook, Mel Myler, Mary Heath, Jay Kahn, Susan Huard, Jon Morgan, John Beardmore; Absent: Corinne Cascadden, David Ryan. Also Present: Bruce Mallory, Carrie Portrie, Jordan Hensley, Drew Atchison, Tammy Kolbe, Bruce Baker, Jesse Levin, Matthew Gerding, Jenn Foor; 34 attendees from the public listening.

Welcome/Call to order/Tech check/Chair's comments:
Just after 2pm, Dave Luneau called the meeting to order. Bruce quickly reviewed the Commission's group agreements. The minutes from 7/27 were unanimously approved by those Commission members in attendance with the exception of John Beardmore, who abstained.

Engagement Work Group Report:
Carrie Portrie began by sharing some details from the school and municipal focus group meetings that occurred in June. Carrie noted that the full report is available under the August 10 tab on the Carsey-Commission website's meeting documents page. Carrie reviewed some of the high level themes from the report, including notes about how the current system is and is not working well, definitions of adequacy, and barriers to success.
Carrie then briefly covered the draft questions that the engagement work group, Chris Dwyer, and Bill Ardinger put together that will be placed on the Granite State Poll (GSP) in September. Carrie discussed the fact the current iteration of the GSP is online rather than via phone, but they are confident that methodologically their survey methodology will provide a representative sample. Carrie noted that Commission members are welcome to email the engagement work group to provide feedback.
Rick – why are there demographic questions about region (what does that mean?) and why do they ask about political party? Would also like to know/expand question to include parents whose kids recently graduated from school.
Also has some concerns about question 3 – Rick – are we asking about a programmatic or per pupil funding basis? Need to be a bit more specific in some of these cases. Mel noted that the Commission has only some control about the demographic questions being asked given the other questions on the quarterly GSP.
Dick – has some feedback that he will send to engagement group. Does not find the ingredients list useful in the final question on the survey, notes in particular special education.
Chris – notes that no questions involve sources of funding. Is it too difficult to ask about that? General question in #4 but curious as to whether combinations might be the most useful thing to get from the public. Carrie – question #4 is a longitudinal question asked in 1999 and 2002. Notes that commission should give feedback about whether they think that is a key question to focus in on.
Jay – Wanted to see if folks had a reaction to question #4 – looking to elicit responses to means of raising funds.
Chris – appreciate the longitudinal nature of 4 but thinks that you lead respondents to pick a primary source – would want to know what combinations people think are viable in the state. You might be able to build on that question to ask about combinations of funding, homestead exemptions, etc.

Rick – are we trying to ask two questions within one with #4? Bill – could be three in one. Dave – looking for trends, but right on all those comments. Iris – constitutional amendment in the question? Clarified that it was just extra text that is off the table currently.
Rick – adequate education staffing ratios? Varies by community. Need definitions about adequate education. Will people understand the reference, have we defined it?

AIR Key Findings – Round 1:
Next, AIR presented some preliminary findings, video and slides of which can be found on the Carsey-Commission website. Bruce noted that next Monday, 8/17, AIR will be presenting about the potential resource amounts that would be needed to help facilitate achievement of equal outcomes across the state. Bruce encouraged Commission members to post questions in chat to discuss at the end of the presentation. Mel noted that this is the first time an outside expert group has worked in NH on this topic.

Questions from Commission Members in Chat/Discussion
Bill Ardinger: The role of Manchester in each slide seems very significant. Hypothetically, if Manchester's total spending were improved, and Manchester's outcomes were improved, would that change have a significant impact on NH's overall correlations (R)? Thank you.

Bruce Baker – if you move Manchester upward on the outcome distribution given where it currently is, that would have a significant effect on improving equity in the state given the number of kids in Manchester. Also the case that Manchester being as high need as it is (FRL/ELL) that Manchester falls significantly short of their spending given need. When big districts need more aid that does have an impact. Different than MA – you see that MA is relatively progressive in funding, but interesting is that MA progressivity driven by spending to Boston but other high needs places like Lowell, Lawrence, Springfield, etc, have been left out. MA's progressivity is anything but systematic. Some other cities are very high in need but also high in gaps. In that case Boston makes MA look better than it is if you dig in. Used to be similar in CT with a similar dynamic due to higher spending in some cities. Big districts can skew the picture of states as a whole. When big districts have biggest gaps, can be more challenging.

Chris Dwyer: Inevitably the outcome measures are quite narrow compared to what educators and the public are identifying as importance for adequacy of opportunity (why higher expenditures may be happening in districts even though "not necessary" for achievement of that set of outcomes)--yet understandably the estimates are based on the narrow set. Thoughts?
Chris – understand why because you need consistent measures, but struck (especially after reading through focus group reports) that when the public is talking about outcomes they are not thinking about achievement tests or attendance – so much of the conversation is about a broader set of outcomes. Why base our funding on narrow measures?

Bruce Baker – we provide some discussion of this topic in an earlier brief. One of the upsides, at least now, even though tests are not always meaningful (outside of predicting other outcomes) – there have been some discussions about how much these tests predict college/career readiness. Wouldn't want to use tests when there is no connection to other outcomes. But in building model have to use outcomes which are measured. The outcomes available were highly correlated. It is what it is to some degree. Many of the other outcome measures tend to be correlated with these core outcomes AIR has examined.

Jesse – there is a well established literature around the benefits of graduation, not only things like earnings and tax revenues but also health outcomes and life expectancy and lower incarceration rates, for example. Definitely agree that this is narrowly focused set of outcomes – no one would make the claim that these are the be all end all measure of education. But need quantifiable measures that can be consistently calculated across districts. This contrasts with an input/PJ/EB model. An excellent observation.

Chris – explanations you gave are helpful and this will be helpful for commission as we explain to others, particularly given the pressure against high stakes assessment. Graduation is a good example, all parts of model important.
Bruce Baker – we try as a group to figure out how to broaden and go to alternative methods (Jesse brought up inputs). Reason why AIR does outcome measures is because when you sit around with panels based on the fact that ingredients are supposed to lead to outcomes, you don't actually link to outcomes, you just propose what you think leads to outcomes without measuring whether job was done.

Bill Ardinger: For clarity, when this report says "funding", it means "total spending, including all sources, state, local and federal", correct? "Funding" does not just mean the state aid portion of total spending? Thank you.

Drew – It's a little hard to discuss to whether it refers to state or state/local without the revenue conversation – have to work through how the revenue will support proposed amount of funding. But AIR is talking about the total amount of funding per district minus federal dollars/catastrophic special education aid. Bruce -so we're talking about an all-in state, local, and federal when we talk about the ~19k spending average.
Bruce Baker – the current spending is clearly enough across the state to achieve the overall outcomes. The trick is to structure a formula to raise and combine revenues to get all districts across the state to that average outcome.

Jay Kahn: Explain how the base costs relate to cost of adequate education. It means I believe that when you reduce down for all the weighted factors what's left is a cost of $5.069 per student—excluding transportation., special ed cat aid and federal funding.

Drew – base cost is an extrapolation of costs for a district with zero FRL, ELL, etc (no additional weight funding). For a student in districts with none of those additional weighted characteristics, that district would be estimated to need that $5,069 figure. There are no districts in NH that meet that definition. Minimum per spending amount is ~$13,000 student in lowest spending district. If you increase weights you have to decrease weights necessarily. Estimated AIR weights are strong compared to what NH currently uses.
Jay – so once you take away all the weights, what is left is ~$5000/student? Yes. Iris – so you're starting with the total state and local spending? Correct. Bill – so this base and the weighting is not apples to apples with the way NH is using its current base? This is a comprehensive amount.

Rick Ladd: Within the weight estimation model, has any consideration been given to the costing of CTE programming and related costs such as transportation?

Drew – we did not directly model costs of CTE. Districts that have CTE programs and spend on them, the amount is included in the estimates of expenditures. One of the challenges of this type of model is that it relies on existing data, so the distribution of actual CTE programming may not look like what you want it to look like but we are comparing relationship between students needs and outcomes and projecting costs. This model would not be a good way at getting at CTE programming and transportation which is hypothetical relative to current reality.

Val Zanchuk: did AIR simulate district consolidation?
Bruce Mallory – no. Not a place where commission has invested time or resources given charge, but that is a continuing place for policy discussions. Drew – our data does include an 11 year panel, so probable that some consolidations that occurred over the past 11 years (Jay shaking head no). Regardless, as districts change size over time that is captured in the model. They would change categories appropriately as they changed sizes and it would be reflected in weights provided in the model.

Bill Ardinger: A "correlation is not causation" question: the data show a correlation between higher FRL (proxy for poverty) and lower outcomes. This model implies that additional spending in higher poverty districts will cause improved outcomes. But this does not mean to exclude other policy possible measures that would directly address poverty and perhaps also result in improved education outcomes. Please address.
Bruce Mallory – this is a continuing question, have to be careful about assuming that pulling one lever will cause the intended chain reaction without taking into account other influences.
Drew – will just say that there is a growing and strong body of literature that says school spending matters, especially for higher poverty students. Don't' think that anyone on this call would disagree how you spend those dollars matter. It's both.

Dave Luneau: How is the model maintained over time? If funding for schools ends up putting additional resources to address local disparities, we should see performance change in those districts. Those costs will be different (for a variety of reasons). How will that look and be updated over time?
Drew – did use a longitudinal set of data, so we do have an estimated increase in base over time which would allow you to update base costs over time. To your point about changing needs and changing models of education delivery – you'll have to periodically evaluate how things are going and update.
Jesse – this is a great question. Obviously you don't want to run a model on a year by year basis because you want districts to expect a stable funding mechanism. Traditionally we have suggested that every five years you should reassess. Education technology changes quickly. 10 years would be too long. In the short term, model very easy to maintain because you can plug numbers into cost model. Have to adjust for inflation to keep dollars in real terms, but that is fairly simple. Just inflate base amount, but weights can stay the same proportionally. Dave – is helpful to explain how the model would be used over time and reassessed without having to go through the full kind of commission experience.
Tammy – that was a real limitation in VT, they did not adapt for 20 years. They adopted a similar model that allowed them to update on a regular basis. If you don't update consistently, the shifts become substantial which creates other issues. The AIR approach allows for efficient update process for funding. Can continue to update and use the model each year going forward.
Dave – that is one thing the commission recognized early on – the way things looked in 2008, if those proportions of spending levels had been maintained to today education funding would look very different in NH.

Chris Dwyer: Does the unique place that Manchester plays in these data, does it make sense to also look at the state picture with/without the Manchester data?

Jane Bergeron: For weight estimation model and special education does it include costs for services to charter schools, preschool, out of district students, specialized transportation?

Drew – we used the spending from the DOE 25s, which includes cost of specialized transportation, district costs inclusive of preK. Not entirely sure how the charter costs are captured on the DOE25 if it's pulled out or included in district spending, so don't have a great answer there but it is inclusive of those other special education services.

Questions from Public in Q/A:
Jan Schmidt 02:48 PM: Are these docs available on line/

Jeff McLynch 03:16 PM: Based on Drew's remarks earlier, the results presented here are different from those originally circulated due to a correction related to tuition costs. As these results differ significant (both in based and weights) from the original version, could AIR offer a more detailed explanation of the change?

Jeff McLynch 03:18 PM: Could AIR explain how the various weights for enrollment would work, with specific examples? For instance, what would funding for students #599 and #602 look like? What sort of incentives/disincentives might this create for regional school districts?

Doug Hall 03:20 PM: Are quintiles in slide 28 each about 20% of students or each about 20% of districts. This is important to understand because there will be a big difference.

Doug Hall 03:20 PM: Are quintiles in slide 28 each about 20% of students or each about 20% of districts. This is important to understand because there will be a big difference.

Doug Hall 03:26 PM: How can we get a copy of the two models (with transportation and without transportation) for all districts?

Jeff McLynch 03:31 PM: AIR notes that they attempted to include variables in its model to account for "inefficiency" or "overspending" on the part of certain districts. Could they explain further what those are and how they affect the results they have presented?

John M. Lewis 03:34 PM: How again did you get the $5000 approx base amount?

Doug Hall 03:55 PM: The beginning point that the total current spending is adequate makes sense. But that only translates to "we don't need more money" if everyone agrees that we can take the money from the "overspending" districts and send it to the "underspending" districts. If local control is respected, it will require that money to come from some other source. The question that the presentation did not answer is "What is the total amount needed to bring the "underspending" districts up to the model? If that cannot be taken from the "overspending" districts, it is the gap for which funding sources must be found.

Doug Hall 04:00 PM: The tuition problem is a real one. It needs to be subtracted but the question is in which district. Is it subtracted from the sending district's expenses or the receiving district's expenses? It also should NOT be subtracted when spending per pupil is calculated unless the number of students is also reduced to not double count the students.

Bruce – thank you AIR. How did the tuition piece change?
Drew – previously were using a model that included tuition monies that ended up being double counted from one sending district to a receiving district. Still do include tuition to private schools and to other states because that money leaves the public system entirely. That is the current treatment of those dollars. Can keep thinking about that if other issues are raised.
Dave – thanks to Bruce, Drew, Tammy, and Jesse for your time this afternoon and continued effort. On the last point, when it comes to some of these school arrangements that do not fit the normal mode of many other schools throughout state (ex: interstate or tuition-in) it may be something that adequacy work group wants to drill down on in specific districts just to check on. Could get a bit funky.
Jay – concern is that we have taken out both sides of transaction, have we taken out too much?
Dave – those are things we will drill down on.
Jay – preschool left in, another consideration. Plenty to talk about in all the work groups.

Public Comments:
No public comments were received. The Commission noted that the next public comment period will take place this Wednesday, August 12, from 4-5pm.

Adjourn

Dave thanked the Commission and adjourned the meeting.

Documents

- 8/10 Agenda
- 7/27 Minutes
- Municipal and School Leader Focus Group Report
- Granite State Poll Draft Questions
- AIR Presentation of Findings – Part I