

## **Adequacy/Distribution Workgroup**

### **Commission to Study School Funding**

**Notes – August 3, 2020**

Attendees: Jay Kahn, Mel Myler, Barbara Tremblay, Bill Ardinger, Val Zanchuk, Jane Bergeron, Rick Ladd, Dick Ames, Dave Luneau. Also in attendance: Jordan Hensley, Bruce Mallory, Drew Atchison. 7 public attendees.

At just after 3pm, Jay Kahn called this meeting to order.

Jay noted that it may make sense to hold off on some discussions of adequacy until after AIR's presentation next Monday. Jay – have three definitions of adequacy: RSA 193 sections, the Vermont definition of adequate education from AIR's case study (with different categories of programs), and then the analysis of all 14 chapters of revised RSAs relating to education.

Rick – base adequacy and differentiated aid are typically how we define, but there is more in statute. We should fund school transportation, but is that part of adequacy or is it outside?

Bruce – DOE does calculate some money for transportation in the universal cost, but it is flat across the state.

Bill – interesting question about the definition of adequacy vs, as Rick noted, the costing of adequacy. A hypothetical to help define the difference, which is word based (a standard) vs the cost which is numbers based. If you, Jay, were going to be the lawyer for some town, and you were going to challenge that the child of the family you represent was achieving an adequate education or not, how would you make the case that they were not receiving an adequate education? You would make arguments like: student does not have access to modern textbooks, etc. Word based – need an education that allows students to be proficient in various areas and follow on to careers and higher education. And then there is the process of trying to determine a value of adequacy in the state, which is difficult because the value may be different across different localities in terms of costs. Probably not the same cost in every community. Court has asked legislature to provide a standard that allows for judicial review, which is separate from cost. Jay – I am taken by the outcome approach, which is why it is important to view AIR's cut of outcomes to spending to see what are those variables that have the highest correlation to better outcomes. That said, I recognize that there are matters of student success and in particular wellness that aren't a part of the definition. That troubles me but I'm willing to—between Rick, Barbara, and Jane, there are matters of student wellness or preparedness to learn on any given day that may need to be part of the definition without getting so granular in ways that can't be costed further than what has already been done. Bill – if AIR is our expert and have seen ways to define the quality of public education in other states and are about to put their measurement of quality for Commission to review it may be premature to define adequacy now, may want to wait until we see that example. Waiting may help us do a better job. Would recommend waiting on a final definition until we can do so.

Barbara – I have been very interested in the AIR reports and they have changed my thinking in some ways. Will be very interested to see what they come forward with. Have a list of items like pre-K, transportation, facilities, and development, and am very concerned about the health and wellness of our students which has been a challenge the last 5 years that will get only larger with COVID. Looking at how things have been costed over the last 20 years – hoping we can come further and politically hope we can get it approved. So much work done over the last 20 years and not everything hoped for has been approved over the years. Will we be able to present well enough to the legislature and will they adopt recommendations put forward?

Jay – hearing that we should look into outcomes data and see how they fit into our definitions. Currently some words about wellness but not too many.

Jane – would be very interested in reading and learning more from AIR about how other states have integrated things like early education and marginalized students as well as professional learning and health and well being for students. Sure there are things out there, don't need to reinvent the wheel – best use of our time to look at what AIR brings to us. Some NH specific things like special education and treatment of charter schools.

Rick – very pleased to hear Bill use the word quality. Don't want a laundry list, looking for the outcome “college and career readiness”. What contributes to that? CTE, Nurses in schools, having all these good things that we have talked about. It will be easier for me to support the costs and appropriations if we are costing something that really has merit, that really is our quality education. Liked AIR reports, anxious to see what AIR brings forward to us. Can go back and forth about these things, pleased about where we are going with this and being very positive in how we are handling this.

Jay – Drew, is that enough to tee you up for next week? Drew – yes, next week we will have the results and there will be a great conversation and we can further discuss how it fits with the adequacy group in further meetings after that.

Bruce – need to continue to consider poverty and current use of FRL and shortcomings of FRL as well as median household income. Also added school and district size, know AIR is taking district size into account. Questions about using 3<sup>rd</sup> grade reading as part of the formula.

Bill – something that came up at fiscal policy was wanting to get into details about districts with multiple schools and how district resources are distributed between schools. Another issue that came up is how much differentiation there is in the current formula when the bulk of it is a uniform flat rate (80+% of the distribution). I compared FRL and EVPP and there was little correlation there – can have high EVPP districts with many FRL students. Saw a similar effect with special ed, but greater correlation with ELL. Drew will have the ability to speak about the variables that give us the focus on need/lack of capacity.

The adequacy work group then moved to discussion of the Adequacy Midterm Report.

Jay – currently have three estimates that bring group closer to adequacy than the current formulation. Current base adequacy is 80% of adequacy spending. How much effort does this group need to put into that calculation? Jay then described the three different costs currently out there, noting that AIR will provide a 4<sup>th</sup> adequacy base aid amount.

Dave – something relevant to any discussion is proxies like FRL or other factors. What is the most solid structural proxy? Horizontal access equity that you have in large districts where maybe the funding of certain schools should be looked at differently than others due to composition. Neither of those are contemplated in current funding/distributing, definitely part of what we can do with adequacy. Part of costing. Discussion of various types of districts. Jay – so focusing on the best proxy? Dave – not questioning significance of poverty, just metric.

Bruce asked Drew to briefly discuss why one might use FRL and best practices. Drew – right now in NH FRL ranges from zero to a high of 60% or so. Range of FRL within that. Reason why a lot of states are moving away from FRL because FRL is so high it is 100% in some districts – if that is the case you can't distinguish between two districts with 100% FRL. Federal government allows districts to use direct certification as a way to measure district need outside of FRL. That is not the case currently in NH with 100% FRL, and in AIR's analysis so far has shown that the FRL is more highly related to outcomes than some other measures like median household income or a different DOE geographic area estimate measure. Bruce – perhaps adequacy should accept on a provisional basis that FRL will be the poverty measure? Jay – can commission see correlation?

Rick – back in Nov 2018 report, we looked at this FRL issue. It works at some grade levels. Found out that FRL is a poor indicator at the high school level where students do not submit information for that program. School Administrators Association is worried we may be missing students using FRL. Dave – DRA might have income data on a zip code basis to provide family income by zip code? Can you rely just on elementary education levels? Drew – haven't seen that assumption used in other states. Can use other metrics. AIR is using district-level data, so if the pattern of under-identification is similar across districts it would mainly impact high school only districts. AIR can look into further.

Dick – EVPP is a measure that gets back to valuation of property, and that varies greatly in relationship that has nothing to do with number of kids or need. Important to consider for schools that may need extra aid in terms of resources but not necessarily towards an adequate education. Do have within our existing funding system we are using the SWEPT as one piece of the funding. That part of the funding is directly related to property values in communities.

Bill – you can get IRS data income by zip code. In NH uniquely there are many more instances where districts link with zip codes than many other states. Did not see a strong correlation between zip code income and FRL. Didn't check about outcomes, however.

Jay – are there states that are concerned about using a single variable that put together some kind of index of 4 or so different indices of poverty? Perhaps weighting by degree to which they correlate with student outcomes? Drew – don't know of any states doing that off the top of my head. Advantage is that you have a more robust measure of poverty but disadvantage is that it is less transparent and may be harder to collect. Typically simpler is better, and FRL is collected by districts and familiar to people.

Jay – didn't hear from anyone just yet that there was a burning need to recalculate the base portion of adequacy (prior to AIR's input).

Some discussion was then had about base adequacy amount and general agreement that the current formulation of adequacy is too low.

Drew – NH's historical conception of adequacy has been about state funding only. AIR's conception (and many other states) is thinking about the entire pot of funding – local and state dollars – and then after that thinking about how to break down revenue and distribution.

Val then discussed postsecondary enrollment data. Met with Nicole Heimarck at the NH Alliance for College & Career Readiness. They have robust data on outcome measures and the ongoing shifts in students coming out of school – college (2yr/4yr), career. Discussed various metrics, goals, and ratios in terms of students going to college and other postsecondary programs. May be a good idea to engage with them and hear from the Alliance. Want students to enter postsecondary life with focus and knowledge of the direction they are heading in. Jay noted some concerns about thinking through what outcome measures should be looked at. Not much post high school data brought into the process, but more could be. Drew – one question is how does this data give us information that we don't already get from other sources? A challenge in using in a funding formula is that it takes time for these measures to become meaningful. For accountability purposes could be useful. Val – data collection is hard, most current data from the alliance is from '11-12. If you want to ask if students are getting an adequate education postsecondary outcomes matter. Lower proportions of students graduating from college – were they trained adequately? Are we helping students be productive members of society? If not doing well in postsecondary, perhaps not. Need to prepare them for that role. Bruce noted that lots of other variables, most notably how well colleges are performing, also impact whether students graduate. Val notes a cultural bias toward sending kids to college even when they may not have the right guidance and may not be totally prepared. Need to do what we can to prepare students as best as possible. Not adequate if not prepared for college/career.

Rick – of the incoming students to NHTI, 60% need remedial math; 50% of those students drop out. Data goes back over numerous years, has led to integration of math courses at the high school level. Data is out there, CCSNH has it.

Bill – hardest thing may be what you're trying to measure. Lot of metrics far away from k-12. More important for a school perhaps to provide CTE training than AP Calculus.

Jay – is SAT readiness in math something you can use?

Drew – in NH DOE's assessment data, that is the score that they report (SAT). It is included in AIR's analysis. Drew discussed some other outcome data AIR uses in coming up with a single assessment score for a district.

Further discussion of limitations of data and various school incentives then took place, and the need for accountability factors. Val – an incredible discontinuity, graduation rates are not necessarily meaningful measures of how well students will do in the outside world. Strong correlation between FRL and SAT performance. Bill – This makes me want to look again at adequacy standard and make sure state believes that readiness is important for a quality public

education. Val – a compelling economic interest on behalf of the state that the declining numbers of graduates are prepared to come into the workforce and be productive. Not only work right out of school but also their career interests.

Jay – need to look at statutes, see if there are other elements to be considered by AIR.

Drew – when you look at correlation between test scores, graduation, and assessments, they are all correlated. AIR has greater weight on assessments, but want to be holistic in their outcome measure.

Further discussion of correlation between outcomes, indexes, measuring college/career readiness, and identifying the highest and lowest performing districts. Bill noted that the statistical work being done now helps provide context and measured reasoning for why resources should be allocated in various ways, and it has been missing in the past. Hopefully can build a consensus that hasn't existed in the past.

Further presentations and discussions will explore charter schools, adequacy, differentiated costs.

Some conversation was had about how to fund special education and the difficulties in measuring outcomes in special education and creating best practice funding practices. AIR discusses some of that in their multi-state scan and makes some recommendations in their funding formula calculation. The group also briefly considered preschool funding and noted that the Commission needs to continue to think about pre-K.