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 significantly (both in based and weights) from the original version, could AIR offer a more detailed explanation of the change?

We excluded tuition payments to other New Hampshire school districts from the calculation of per-pupil spending. These tuition payments show up as revenue in other New Hampshire districts that the receiving district could then re-spend. Therefore, the inclusion of tuition payments would result in double counting of spending.

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?

The enrollment weights are applied to all students within a given district. So all students in a 599 student district would receive the 201 to 600 enrollment weight. All students within a 602 student district would receive the 601 to 1200 enrollment weight. The use of discrete enrollment categories does create some discontinuities around those cutoff points. If the Commission and NH Legislature move forward with including discrete size categories, there are some policy options that could lessen the impact of districts that might move from a smaller size category to a larger size category due to small enrollment fluctuations. For example, there could be a hold harmless provision where districts would still be considered to be in the smaller size category for one year after moving to a larger size category.

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.

Quintiles are defined as approximately 20% of districts.

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

The slides are posted to the Commission’s website. The presentation will be followed up with several other deliverables including a simulator tool that calculates the distribution of funding according to the recommended models and a final report that will detail the results and methods more fully.

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?

The variables included as “efficiency” variables are the share of the population in each district that is age 5 to 17, federal revenue as a proportion of total spending (meant to be an indicator of oversight or constraint with respect to resource use), and a measure of how evenly enrollment is distributed across districts within each county (meant to be a measure of “competition” with other neighboring school districts). When predicting district cost associated with achieving common outcomes, the outcome target is set at a constant value and so are the efficiency variables. In other words, we are predicting cost assuming that all districts experience the same level of “efficiency” as measured by these variables. To explore the effect that the inclusion of “efficiency” variables has on our results we compared
predicted costs holding efficiency constant and predicted costs allowing efficiency to vary at observed levels across districts. We will include further explanation of the efficiency variables in our final report.

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

The base amount represents the extrapolated per pupil spending for a district that qualifies for none of the additional weights (a district with no FRL students, no special education students, no English learners, is larger than the largest enrollment category that has an additional weight, and contains only elementary students). None of the districts actually have these characteristics. The minimum predicted cost for districts after the addition of weights was around $13,000 per student. Another way of thinking about the base is as the cost per weighted enrollment, where the weights are applied to enrollment rather than the dollar amount. If you divide the total amount of money to be allocated through the formula in the state by the total weighted enrollment, you will arrive at the 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.

The simulator tool that AIR will develop will allow users to make such calculations. We decided to discuss revenue implications in future meetings due to the complexities that need to be considered and the lack of time in the prior meeting.

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.

The bulk of our analyses are done at the district level with district enrollments and district expenditures. Our understanding of district enrollments is that it represents the enrollment for students attending the district and not residing in the district. Therefore, the expenditures should also match (as best as possible), meaning the expenditures should be those spent on the students in the attending district. This has led us to the decision to exclude tuition payments from the sending district and retain tuition revenue in the receiving district.