

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

Meeting Minutes

October 5, 2020, 2-4 pm

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

**Commission Attendance:** Dave Luneau, Rick Ladd, Dick Ames, Iris Estabrook, Susan Huard, Bill Ardinger, Jane Bergeron-Beaulieu, Barbara Tremblay, Jay Kahn, Mel Myler, Val Zanchuk, Jon Morgan, Corinne Cascadden, Mary Heath, Chris Dwyer; Absent: David Ryan. Also Present: Bruce Mallory, Jordan Hensley, Carrie Portrie, Drew Atchison, Jenn Foor. 20 attendees from the public listening.

**Welcome/Call to order/Tech check/Chair's comments:**

Just after 2pm Dave welcomed attendees, called roll, and thanked the Carsey team for their work. Bruce Mallory reminded the Commission of its shared group agreements. The Commission approved meeting minutes from the Commission's 9/21 meeting unanimously. Dave noted that previously the agenda included Sen. Giuda to talk about A/B/C property classifications, but that he was unable to join today.

Drew Atchison from AIR joined the Commission to discuss the most updated version of AIR's simulator and a brief on district size weighting.

Drew – in terms of the simulator there are a few new sheets added, the first is a sheet that shows the calculations of a smooth enrollment weight. Our approach to smoothing out the “cliffs” was to construct slopes connecting the categorical weights. Drew described that process, and how version 8 of the simulator works differently than the previous version, including that smoothing of district size and a new tab for cooperative school districts.

Dick – The main import of this spreadsheet (cooperative districts) is in relation to additional taxes above and beyond the simulated formula amount, which would happen at the district level.

Some discussion was had about how cooperative district calculations would change if variables were changed in the main simulator sheet. Dave – on the enrollment weights, not sure I understand what you did. You said they are customized now for every town? Drew showed on the screen how enrollment weights were smoothed and the [brief AIR prepared](#) on the topic. Discussion was had about how the smoothed weighting would work for district enrollment, how cooperative district calculations were arrived at, number of districts in the state at given sizes/EVPP/achievement, measures of fiscal capacity in determining funding levels, whether revenue and spending are tied or can be treated independently, how the simulator has changed from the previous to the present version, how changes in ADMA impact the simulator's outputs by town, potential incentives for districts to get smaller, how Vermont handled small school districts (by defining necessarily small vs small by choice), and other potential mechanical changes to the model.

Dave – if enrollment size weighting provides incentives to be small, other weights could incentivize districts in other ways. Is there a tipping point as to where if estimated costs change

a district now in making structural decisions about size, tuition, etc, where that becomes more of a factor in school management decisions? Drew – Possible, districts could choose to serve more FRL students or identify more special education students. Have to address incentives as best you can, perhaps via other policy mechanisms.

Chris – Wonder if people with small districts weighting would feel differently if small schools. Was Bruce Baker's research about school or districts? Drew – districts. Chris – thank you, some concerns are about districts rather than schools. Elementary schools discussed.

Rick – the 27 school districts with the least EVPP (below \$660k/pupil), one district is <200. For districts >\$1mil, high number of <200 student districts. Experience in Alaska informative to this discussion. Small state like NH may run into issues. Corinne – agree with Rick. 24 towns in North Country, 12 have less than 200 kids. Bill – Vermont example instructive and right on point towards concerns in this direction.

The Commission then turned its attention to the definition of adequacy and an outcomes-based definition of adequacy.

Jay – in agenda there is a motion, and first two lines<sup>1</sup> are in front of the Commission. Adequacy group is calling to attention of the Commission that a foundational question is: are we going to use outcomes already specified in the RSAs, will we use those as a basis for a distribution formula that the Commission recommends? We all know that leads to weights. Work group has tweaked a suggested version, but wait to finalize until overall recommendations have been arrived at. Have a sketch of how E:2-b language might be changed. Can't move forward with the AIR model until we agree that an outcome model is the Commission's recommendation.

Dave – we know that the cost to obtain a certain performance level in one district is not the same as another, and AIR report and estimated cost models indicate that. What are we suggesting as far as costs for comparable outcomes for all students? Jay – going to very by student, and what the cost to the district is depends on student characteristics and needs.

Iris – want to make sure I understand in the motion. Motion may be different than suggested wording in statute. This speaks only to distribution formula and not cost. Could argue that '07 formula was weighted in a way that did try to create comparable outcomes. Motion broader than the language actually suggested by adequacy.

Jay and Iris had some discussion clarifying parts of E:2 regarding adequacy and language in the agenda in the motion vs the suggested text.

Corinne – feel like we're moving forward. Will this meet the constitutional requirement for adequacy? Is this Commission to decide exactly what the variables are in the cost model, or are we expecting the legislature to decide on transportation or not, etc – are we recommending a package to legislators? What road are we heading down as we define adequacy and improving

---

<sup>1</sup> To determine the cost of an opportunity for an adequate education as defined in RSA 193-E:2-a, the general court will apply an Education (or outcomes-based) Cost Model to identify the costs necessary for all students to have a comparable opportunity for an adequate education regardless of student needs or the fiscal capacity of the location of the district in which they are enrolled.

equity for taxpayers and quality of education for everyone. What are the parts and pieces that we are responsible for and what is left to legislature?

Jay – Absolutely there are other recommendations from the adequacy work group, including transportation. Think we know where we are heading and amount of information we have to make categorical is insufficient to have a different distribution than that included in AIR's model. Relative to the constitutional question, the courts have asked that the legislature define adequacy. We are not changing the definition of adequacy but a distribution formula.

Bill - I think the issue Iris identified, which is a more general concept vs more specific language is important. The statutory language I see as having some detail problems, including some mixing of the effort to define adequacy with the distinct effort to determine the value/cost of adequacy. Those are two separate things. I believe the revolutionary step the Commission has been reviewing is not to define it as a set of inputs (listed in 193E:2-a), but a shift to say that adequacy will be defined in terms of a targeted outcome (in AIR's simulated model average outcomes across the state), that every child in every district should be able to reach that average outcome. That doesn't say anything about the cost, and getting to the value of what adequacy means for each district is the cost model and weighted characteristics. Adequacy costs then look different for every district. The motion says, are we as a group going to support moving from the current model that says the substantive content of what an education is is the definition of adequacy to defining adequacy by what the outcome should be across the whole state. That is so fundamental that I believe it deserves a vote without getting into the weeds of statutory language. Would be best to start with just the concept motion. Do we as a Commission support an outcome definition of adequacy. I would vote yes, because I believe it is a failure that we have not set a clear standard that kids in Claremont should achieve X outcome vs they should have a library, etc. Important but trying to get students to a high average achievement level. I would like to suggest we focus on the concept motion and leave language to the side.

Dave – to challenge the theory, it was the substantive educational content (language in E:2-a) that got us to the statewide average we are at today. Why does that need to change? Why couldn't we leave the definition of adequacy alone substantively and just change the costing of adequacy to reflect the estimated cost model that is determined based on outcomes?

Bill – I believe the court has said, among other things, that legislature has to define adequacy and determine cost of adequacy. Imagine that you define adequacy as these minimum standards listed in current law, and determine cost by virtue of reference to an outcome goal. Someone could argue that has a disconnect built in, and argue that adequacy is defined as inputs and minimum standards but their costing methodology doesn't look to those standards. Really have to say, I believe, that adequacy is defined as an outcome goal and for costs you use the ECM, which predicts costs necessary to get to that defined target. The AIR model allows you to change what the standard is. Definition is the standard, costs are how to get there.

Jay – I disagree, don't think the goals of an adequate education in statute are input driven.

Maybe some tweaking of E2, but skills one has to have as an outcome. Not changing that.

Assessing schools and students to see if achieving comparable outcomes in those areas. Don't think we have abandoned current statute.

Chris – Four points. One - I think it's important to pair cost determination and funding distribution, don't want one without the other. We need to be careful to use the word

comparable not as a modifier of opportunity but of outcomes. When we talk about student outcomes should pair with outcomes in terms of performance. And four, all students in each district phrase that is important – underlines the variation in both costing and distribution by district. Have talked about the first a lot but other three important for clarity.

Dick – I agree with Jay's response to Bill's suggestion that we move away from the pairing that I think we should be moving towards, of the new outcomes concept we've developed with the existing standards and specifics around goals in the statute. Need both, wouldn't want any motion to suggest that we are going down a pathway that leaves hanging the specific content we expect to be part of an adequate education. Want to measure outcomes and have costs based on outcomes. Have made a lot of ground there, but let's not leave behind importance of minimum standards. I do have a problem with the motion before us – motion is to amend the RSA to reflect the distribution formula to provide the opportunity to provide comparable outcomes but no reference to an adequate education. Needs to be a frame of reference/standard. There is that in the draft statute, we would be embracing an outcomes-based cost model for all students to have a comparable opportunity for an adequate education. Brings into sight how we will cost things.

Jay – so you are wanting to add 4 words to the motion? Dick – yes. Dave – and also thought you suggested rather than using a funding distribution formula you talked about a cost model based on outcomes.

Iris – If we make those changes my comment is irrelevant. I found wording before was broad enough to include all kinds of approaches. Feel like we're talking in circles – had an input based process, outputs come from inputs. It's turning things around and does that result in a fairer distribution and I'm not sure. But I think the changes you're proposing are important comments and substantially changes the motion.

Mel – My concern is this: my basic goal is that the Commission needs to make a single commitment on the issue of outcome-based funding and once that is made all the other conversations we have fall in line, gives framework to make those later decisions. Seems like we have a lot more data today than we did 10 years ago about outcomes. From me, a commitment about moving to an outcome-based system is a threshold question and everything else flows from that. Want to see where we are as a Commission moving from an input-based to an output-based system. Do think it is a fundamental change.

Dave – all saying different version of the same thing. Don't buy outputs, buy inputs. And know in some places will need different inputs to get particular outputs. What is revolutionary is that we are estimating the cost of the opportunity for an adequate education based on each student getting the same outcome regardless of location. In order to get those comparable outcomes districts are going to have to do different things. What I am seeing is that AIR has shown that New Hampshire is doing a good job of defining adequate education (high overall levels of achievement) but costing is an issue. I don't think we're trying to redefine what goes into an adequate education, but they will help us cost out what goes into it.

Jay – the point of the change is that in E:2-b it says that the court shall make an initial determination of the specific resource elements needed...I think it's that that drives the notion of an inputs-based model. It is those three words we are trying to move away from and toward a more outcome-based process.

Bruce placed a new version of the motion on the screen: “To amend RSA 193-E:2 to reflect a public education costing formula that creates the opportunity for an adequate education needed to attain comparable educational outcomes for all students.”

General high-level agreement of support on language, but concerns about whether the language is too broad and whether comparable is or is not the same as equitable in this sense.

A straw poll was taken (not an official motion), and for the most part the Commission agreed to support moving forward with that text at this time. Iris and Rick were not in support, and Jane and John had to leave prior to the vote.

A brief discussion was had on future scheduling and some changes to be made.

**Public Comments:**

No public comments were offered.

Direct public comments to Commission Chair David Luneau at [schoolfunding.commission@unh.edu](mailto:schoolfunding.commission@unh.edu)

Next youth voice public comment period: Wednesday, October 7, 4-5pm

Next open public comment period: Wednesday, October 14, 4-5 pm

Next set of Commission work group meetings will take place on TUESDAY, October 13.

**Adjourn**

**Documents:**

Documents for this meeting can be found on the Commission website under 10/5 materials - <https://carsey.unh.edu/school-funding/school-funding-study/resources/meeting-documents-video>