

Commission to Study School Funding (RSA 193-E:2-e)
Meeting Minutes
November 2, 2020, 2-5 pm

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

Commission Attendance: Dave Luneau, Susan Huard, Corinne Cascadden, Jane Bergeron-Beaulieu, Val Zanchuk, Mel Myler, Barbara Tremblay, Dick Ames, Chris Dwyer, Mary Heath, Iris Estabrook, Bill Ardinger, John Beardmore, Jay Kahn, Rick Ladd
Absent: Jon Morgan, Dave Ryan.
Also Present: Bruce Mallory, Jordan Hensley, Carrie Portrie. 18 attendees from the public listening in.

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

Just after 2pm Dave welcomed attendees, noted a more frequent schedule in the upcoming weeks, and called roll. Dave also reminded everyone of the group agreements and the work ahead in November for the Commission, especially for adequacy and fiscal policy discussion and report writing. Noted calendar dates for Full Commission meetings and called for an approval of minutes from October 26, 2020. Myler moved, seconded by Tremblay, with no discussion the minutes carried. Dave turned the meeting over to Jay Kahn and Bruce Mallory to guide the conversation.

Adequacy/ Distribution Principles Discussion

Jay Kahn referred the group to the memo Bruce sent to the group on November 2nd to help guide the conversation. Jay reviewed what the workgroup has discussed thus far in terms of the AIR models and the document prepared for the Commission (11/2) --

https://carsey.unh.edu/sites/default/files/media/2020/11/action_recommendations_110220.pdf.

Jay brought up the language in the following sentence: "Future legislative action might address district size and incentives to consolidate or cost-share, or disincentives when districts choose to remain small." And noted that Commission has no basis to make consolidation recommendations. Iris Estabrook showed concern for this last sentence as well, and noted that the two sentences before speak to the Commission not addressing the issue of consolidation. Iris suggested (see 19 minutes in). Iris noted, we don't want to reward schools for being small because they have to the wealth to stay small. Chris Dwyer noted that we have to acknowledge that if we are going to control costs in the future that we are paying a really high price for the inefficiency of really small districts, but it is right to separate the two because they are different issues. Bruce "Future legislative action may consider removing the extra size weight for districts that remain small (see 21 minutes in). Barbara approved the addition as well. Bruce noted he would add the new language in the principles summary. Corinne wanted to clarify that when we talk about district size, we are not talking about grade levels. Corinne confirmed that she does not think there should be an added weight in the model for grade levels. Jay confirmed that the grade level weight is still part of the model. Commission members talked about the

small district data in the AIR report. Dave wondered if there was a correlation analysis conducted (reference to Exhibit 15).

Jay explained the discussion about weights is taking place so Commission members can discuss adequacy/distribution work. Dick Ames wondered: what does it mean to accept the report. Jay explained that the Commission is recommending a distribution model, and this discussion and points are part of that recommendation. Bruce clarified that the Commission previously accepted the Cost Model, and now the Commission is discussing the Adequacy/Distribution workgroup principles.

Bill Ardinger summarized, we are not commenting upon adequacy with this recommendation review as this point – we're talking about the Education Cost Model which is a method of determining predicted costs, total costs, to achieve a targeted/defined outcomes result. The core question Dick was asked was: What is the value or cost of adequacy for the purposes of NH's Constitutional discussions, we are not commenting on that question in terms of the summary shared.

Iris Estabrook noted the last sentence in the 11/2 adequacy/distribution principles summary included the statement: "The distribution of funds for public schools is determined by the dollars needed for students to have comparable opportunities to achieve average statewide performance outcomes."

Bruce noted that there is no change in the components of an opportunity to an adequate education in the 11/2 summary. But this definition of adequacy is now an outcomes-based definition. Dave noted the complexity of Bill's comments, and mentioned that there needs to be care used in the terms of "funds" or "costs." Dave clarified that the ECM talks about the distribution of costs for public schools determined by what is needed for students to achieve comparable opportunities to achieve statewide average outcomes. This final statement quoted above is talking about estimated costs not funds – keeping the idea of state funds and estimated costs separate. Bill confirmed the ECM is about total predicted costs versus where the funds will come from. Dave referred to steps 1 and 2 from the ECM in the AIR report. This model is used to build the estimate aggregated costs. Bill noted his takeaway of the model is measuring and focusing on the relative needs based on the characteristics of districts and students. Bill noted his approval. Dick noted his approval as well.

Bruce shared his screen so Commission members could clarify the corrections to language discussed in the first two paragraphs under ECM.

John Beardmore questioned whether, if we are talking about costs and not funds, should we also remove the term distribution and replace it with identification of costs. Jay noted they need to look at the Commission's charge and determine if it is in the charge. Without mincing words, the group noted the need to clarify language in the last sentence.

Val Zanchuk suggested using an and/or in the final sentence, which Bruce noted in the version on screen. Iris wondered if we aren't looking at the ECM as generating the distribution formula, what happens to the distribution funding formula if we are not discussing it here? Val suggested the relationship between the funding and cost distribution. Dave noted that fiscal policy has generated a principle regarding this concern. Jay noted the differences between a Commission report and policy generation that will occur afterwards. Dave confirmed the fiscal policy principles and the adequacy principles are a basis.

Rick noted dissatisfaction with a formula that would base the total amount of money on what is coming in from districts right now on their DOE 25 forms. There's items on there, which are the responsibility of the school district and are not necessary to achieve an adequate education.

Dave clarified that enrichment factors into students' outcomes. Rick noted there needs to be more work done on then principles before he can accept it. Rick noted the term "comparable opportunities" in the last line of the last two paragraphs. Rick showed concerned about comparing communities. Jay noted the importance of saying opportunities and using the term equitable. Chris noted it is not a necessary adjective, as districts will achieve outcomes differently – state it as the "opportunity for a statewide average outcome." Dave noted the differences in school district opportunities (e.g., unified arts, AP courses etc) and they are left up to local control and encouraged further dialogue with Rick. Rick noted the ways and means that a smaller district would be able to provide certain opportunities like an AP course (which may end up online via VLACS for example. Rick reiterated that "comparable" is not an appropriate term.

Bill noted the language is fine, but he does not want his support for the language in the adequacy principles shared during the meeting to be aligned with the assumption that costs would be fulfilled by state budget dollars. This is not a conversation about apportionment to a certain source. Iris disagreed with Dave's interpretation of outcomes as it does not give much meaning to adequacy. Dave noted we can calculate the costs 1 standard deviation above or below. If the conversation is about student equity, then the conversation about the opportunity of comparable outcomes. Iris reiterated the need to iterate the opportunity for a statewide outcome.

Jay reminded the group AIR was asked to set the estimates at the statewide average. Further deliberation continued regarding the meaning of the ECM from the AIR report and how it aligns with principles put forth by the adequacy workgroup in terms of an opportunity for an adequate education and estimated costs and average students' outcome (state average). See 60 minutes into the video recording for more detail). The Commission is not talking about how the estimated costs is funded. That is left open. The cost target is based on NH's statewide average because NH's average is high when compared to other states. Communities decide their level of spending. Jay again asked the group to move beyond the first two paragraphs to further discussion.

Adequacy Workgroup Brief Recommendations Areas (after the ECM paragraphs)

https://carsey.unh.edu/sites/default/files/media/2020/11/action_recommendations_110220.pdf. The briefs are on the Commission website.

Jay noted the briefs are available for review online under 11/2. The recommendations are summarized.

Corinne appreciated the workgroup for breaking down each area as not addressing each area helps consider the whole child and all the factors students need for an adequate education. Dick thanked Corinne and agreed. Dick noted a concern about the CTE recommendation – how does the estimate noted work? Jay explained that it means around \$4000 per CTE student. Workgroup members have noted that there are additional costs the hosting institutions cannot address – the purpose is to call an attention to an issue and the weight adds more detail. Dick felt the weight creates a technical difficulty in terms of implementation. Jay noted that it was not intended to go into the formula but rather to quantifying a basis for broadening the participation rates in CTE programs. Iris had a similar question to Dick and does not understand how it works technically. Jay clarified he does not know how it goes into the funding formula, the number allows for illustration of the issue versus pinning down actual costs. It is about finding equitable support for CTE across the state. Val noted CTE was included because it needs to be included in the adequacy. Rick iterated that CTE should not be categorical at all – need to think outside box, where are the jobs, are we doing justice to the need for CTE in the current model?

Jay asked the group to pull back from editing and moving toward a values statement.

Val explained that CTE is not supported although there are lines in adequacy that reference it; CTE is critical and often becomes an unfunded mandate. Jay summed, it relates to outcomes. Students find a passion and a goal. It is not just three categories of study – students are taking math and science and writing that relate to career orientation. Schools are at a disadvantage in terms of transportation issues and capacity to provide CTE.

CTE is part of adequacy, but the costs are not, Jay and Dick note. Dick stated that CTE and adequacy and factoring it into the formula is a necessary conversation. Jay showed hesitancy for inserting and removing pieces of the model. Jordan asserted the model is empirically derived and adding and removing pieces will compromise that empirical basis. Bruce noted that the value of a service and delivery of a program like CTE is an issue that needs further consideration – it cannot be the first time that certain programs fall outside a universal formula but are universally needed by students in schools. Val referenced Delaware's model as a potential reference for CTE, for instance keeping it categorical yet not as negotiable.

Jay asked the Commission to provide further comments about the other areas noted to Bruce via email.

- *Career and Technical Education*
- *Building Aid*

- *Special Education Aid*
- *Early Childhood Education*
- *Public Charter Schools*

Dick pointed out in the special education aid brief, that the incidents of the costs of special education can be uneven and unpredictable. Dick summed up that the Special Education costs should remain outside the formula but it needs to be part of a definition for an adequate education. Rick agreed special education needs to remain a categorical aide, and he noted that the problem is the money doesn't come the year the student shows up at school. Districts have to find the funding elsewhere in their budgets which poses challenges locally.

Jay asserted the need to attend to the costs of Special Education. Mary asked why can't the funds be provided to districts in the year they are needed? The reality, as Jay explained, is that the costs and funding of categorical aide is pushed to subsequent years because of the nature of how federal funding works. Dave pointed out the student equity issue in how the funds are made available – districts who are better resourced are better able to find the funds than under resourced districts. Dave suggested a grant package to support under-resourced districts.

Bruce noted there will be workgroup meetings on November 9th. The exec team will look into readjusting the workgroup meeting times to ensure Val and Rick can attend both fiscal policy and adequacy workgroups. Mel and Carrie will determine engagement needs.

Fiscal Policy Principles Discussion

Jay passed the meeting to Dave. Jordan shared the fiscal policy principles summary.

https://carsey.unh.edu/sites/default/files/media/2020/11/fpwg_principles_draft_for_discussion_11-2.pdf. Jordan noted that this document is an effort to summarize the principles from the fiscal policy workgroup meeting on October 29th. Dave reiterated the principles and how they relate to how where the funds come for the ECM discussed previously under the adequacy principles.

Dick asserted that the assumption is that the principles shared are a sub-set of a larger set of principles. Dick wanted to make sure the outcome concept needs to be asserted somewhere prior to the fiscal policy principles. The first principle is connecting adequacy and fiscal policy. The first principle is not stating what the differentiated state funding would look like, but that some districts would receive more and some left. Dick wondered when the Commission will move beyond generalities and link between then costs of an adequate of education and ECM. Dick wondered, will the Commission get there? Dave noted the Commission or more likely it will be the Legislature. Dick asserted that the Commission needs to get to the reality of how the costs and adequacy will work.

Jay summed, we have an average costs for average student outcomes, the AIR model suggests a new basis for the cost of adequacy, with a focus on achieving a statewide average outcome. The average outcome will be a result of spending from a combination of state and local resources. Jay did not think it was in the Commission's grasps to describe a dollar amount for

state funds. Dick referenced the charge to speak to the cost of an adequate education, and Jay noted the workgroups could put together a description that includes a discussion of estimated costs and achieving average outcomes.

Bill noted the process challenges is that the fiscal policy and adequacy workgroups have separate principle sheets, and there needs to be a term sheet that combines findings so the broader findings can be understood.

Iris noted the principles leave a lot of questions. Dave asserted that the principles help to provide a starting point for report writing. Discussion can continue as needed regarding details. Dave moved on to the principle about the state property tax. Dave linked the second bullet and sub-bullets with public comments and perspectives.

Bill noted the need to add in the eligibility not just on low and middle incomes but also based on net worth as well. Dave noted not wanting lose the clarification; it is something to build out in rules later on past the Commission. Dave explained the Commission or fiscal policy workgroup will need to make an educated guess about this type of program. Rick asked if there was a cap incorporated for high commercial property values? Dave clarified the program would be for low and moderate residential properties. Dave noted it would be good to include a section in the report about equity costs above the ECM. Rick clarified that the DOE does not set standards it is the State Board of Education, as a clarification.

Jordan reminded the Commission to review the principles and noted there will be further discussion at subsequent workgroup meetings.

Principle Findings from Engagement

Mel and Carrie provided an overview of findings from the Commission's engagement efforts. Corinne – really a lack of understanding about school funding, but people use their own experiences to make judgements about relative funding and support for schools. Corinne provided some connections between CTE and adequacy and property tax relief and fiscal policy's discussion.

Dave, Mel, and Corinne discussed the places where factual findings by the Commission and public perception met and where the diverged, as well as the hopes expressed by those who participated in public engagement efforts. Corinne discussed that a repeated refrain was for the Commission to be "bold".

Val – were you hearing about equity just in poorer communities or in wealthy communities as well? Mel – heard it from people in all kinds of communities. Val – concern would be once people are paying more, do they still value equity? Mel – it's important, need to create the workforce of the future and that requires investing in all communities. Have to have a vision, and move towards "our kids" framing. Mel asked Mel and Susan to provide some writing around the future we want to work towards. Val – adequacy not an abstraction, but has real world consequences.

Mel – if we can develop students with that commitment, they'll stay in the state.

Iris – Makes me think about the constitutional language around an informed citizenry.

Mel discussed the input in particular from students at public comment session and the need to listen to student voices.

Further Discussion on questions, priorities, and things to emphasize going forward

Dave – Accountability. How does the state treat accountability for state and local dollars?

Mel – How do we trace the outcomes and how districts are doing? Will place a greater demand on the DOE, which is sorely understaffed at present. How do we define average and district goals above state average (especially in resourced districts)?

Dave – data collection from DRA, DOE, and DHHS. Need to have a sharp focus on how we can improve data collection so that when this exercise is repeated in 5-10 years there is more to work from.

Mel – what are the support mechanisms for districts trying to improve outcomes?

Dave – Assessment standards and what type of data is available for property? New Hampshire retirement system and support from the state (or lack thereof).

Bill – Need to recognize that we live in a changing budget environment due to COVID.

Commission could consider a recommendation that equity and relative need is reflected in how state aid rolls out/phases in. Hope the first dollars of phase in improve the regressive distribution.

Bill – would be nice to have report draft a few days before the meeting at which it's considered.

Comments Posted in Zoom Q/A Box:

Fred Bramante 02:27 PM

Dick's question is excellent. What if you accept the cost model but can't find the resources to fund it?

Fred Bramante 02:29 PM

I agree with Bill.

Fred Bramante 02:49 PM

Rick's point is a good one.

Fred Bramante 02:54 PM

School districts have multiple options to offer various opportunities to students incl. in classrooms, online, community based/hands on, etc. Comparable MIGHT mean that they are credit bearing.

Fred Bramante 02:58 PM

Why not to achieve mastery of required competencies, just as it says in the Minimum Standards?

Fred Bramante 02:58 PM

What if state average is still not good enough, like our math scores?

Fred Bramante 03:26 PM

This conversation has had very little to do with the direction that the DOE and State Board have put in its regulations for the last 15 years. I haven't heard competencies, any time anyplace learning. The conversation sounds too OLD SCHOOL.

Fred Bramante 03:29 PM

Are we still talking about funding on an equal PER PUPIL basis accross the state?

Fred Bramante 03:36 PM

First bullet sounds good.

Fred Bramante 03:38 PM

Districts would not receive the same per pupil amounts, I assume.

Fred Bramante 03:45 PM

AVERAGE OUTCOMES!! What if average isn't good enough? Why not "Mastery of required competencies" like it says in the 306 regulations?

Fred Bramante 03:50 PM

I say making it more clear is a good thing.

Fred Bramante 03:55 PM

Please make sure that we care at least as much for low income folks in property poor/high tax rate communities as we seem to do for low income folks in property rich/low tax rate communities. Should be their gross income no more than X % of their tax bill.

Fred Bramante 03:56 PM

More support for property poorer communities will likely lower their overall tax rate.

Fred Bramante 04:05 PM

Dick's a comedian.

Fred Bramante 04:15 PM

Regarding extra costs for the state to collect and distribute. We asked the DRA commish years ago and he said maybe need to add a half person.

Fred Bramante 04:17 PM

A higher SWEPT will provide property tax relief for more than 75% of NH property owners.

Fred Bramante 04:19 PM

Not understanding is HUGE!

Fred Bramante 04:25 PM

Everybody MUST PAY the same rate TO THE STATE, just like every other tax.

Fred Bramante 04:25 PM

OUR KIDS!!! Right on!

Fred Bramante 04:27 PM

Val and Susan, I'd love to chat about this!

Fred Bramante 04:30 PM

"If I'd have asked my customers what they wanted, they'd have said- FASTER HORSES!" - Henry Ford

Fred Bramante 04:35 PM

Possibly include in DOE Compliance w/minimum standards.

Fred Bramante 04:48 PM

I've had much experience with this and would be happy to help.

Public Comments:

Jeff McLynch, NHSFFP: Offering brief thoughts about two points – the first being some decisions left to the legislature, and the legislation creating the Commission gives the Commission specific duties, which he listed, that could not be left to the legislature. The second is around the word "bold", and NHSFFP sees bold as acting without consideration of the immediate politics or fiscal conditions.

Direct further public comments to Commission Chair David Luneau at schoolfunding.commission@unh.edu

Next open public comment period: Wednesday, November 18, 4-5 pm

Next set of Commission work group meetings will take place on MONDAY, November 9.

Adjourn

Documents:

Documents for this meeting can be found on the Commission website under 11/2 materials - <https://carsey.unh.edu/school-funding/school-funding-study/resources/meeting-documents-video>