COMMISSION TO STUDY SCHOOL FUNDING
Adequacy/Distribution Workgroup
November 2, 2020

Action on Education Cost Model (ECM)

The Adequacy/Distribution Workgroup accepts the Education Cost Model developed by AIR. The ECM creates student-centered, outcomes-based cost estimates that reflect a “goodness of fit” among statistically significant variables associated with student and school district characteristics. The Workgroup understands that the ECM operates best when the salient factors of poverty (measured by eligibility for FRPL), special education enrollment, ELL enrollment, district size, and grade level are all included in cost calculations. The ECM enables the legislature to appropriate dollars based directly on the characteristics of students regardless of where they live. The identification of costs for public schools is determined by the dollars needed for all students to have opportunities to achieve average statewide performance outcomes.

The ECM includes a weighted differential that reflects the varying expenses associated with district size. The Workgroup acknowledges that smaller districts may operate at a lower level of cost efficiency than larger districts. The Commission was not charged with considering school governance structures, including district size. We have no basis for making recommendations that might address size-related efficiencies. Future legislative action might consider removing extra size weights from districts that choose to remain small as measured by population density and/or distance analysis.

Recommendations/Considerations for Categorical Aid Programs

Career and Technical Education

CTE is identified in statute as a critical and necessary component of the opportunity of an adequate education. It should be funded in a manner reflecting its standing, not through categorical funding, but as a component of the adequacy funding mechanism.

Process to Achieve Target:

• CTE is part of an adequate education, and the commission is encouraged to consider integrating a weighted costing amount into the adequacy formula to support this vital component of an adequate education. **Consider a weighted value of 0.80.** Provide full funding for tuition support for all CTE students, not just those from sending schools
• Fully reimburse transportation costs
• Amend RSA 188 [to achieve these policy goals]

Building Aid

• Return to a 20-year distribution design would allow more projects to receive awards
• Change the award range from 30-60% to 20-80% based on equalized valuation per pupil
• Require the state budget to appropriate no less than $50M each year to cover new projects and an additional appropriation to cover the obligated tail payments
• Prioritize projects for health, safety and accessibility, emphasis on air quality
• NH DOE to report on school building status (including indoor air quality, health, safety and accessibility), grant applications, awards, tail obligation, 10-year proforma for new projects, tail costs and bond rates
• Assessment of absentee rates, health complaints, student performance
• Data collection short and long-term absentee rates, student/staff health reports, (???)

**Special Education Aid** [need to address problem of potential increased average pp cost under ECM and effect on state contribution for sped aid; and problem of delayed payment from state for these expenses]

• Affirm that Special Education Aid remain outside of the funding formula proposed by the Commission, similar to other states across the country
• There must be a clear commitment on the part of the state of NH to fully fund Special Education Aid
• Special Education Aid should be a part of the state’s commitment to provide an opportunity to an adequate education
• Any Administrative Rules established by the New Hampshire Department of Education must be in alignment with the state’s commitment to an adequate education
• The state of NH must appropriate sufficient funds in order to pay its full 80% share of excess cost under RSA 186-C:18 (State Aid)
• Suggest that a Task Force be established to look more closely at the complicated issues related to IDEA eligible students who are placed by the juvenile court in private special education facilities or foster homes and the related fiscal costs to school districts.

**Early Childhood Education**

• Improve access to quality Early Childhood Education for children age 3-5 in school-based and community-based programs
• Focus initial expansion on serving children in families earning up to 250% of the Federal Poverty Level
• Increase eligibility for the Child Care Scholarship Program beyond 250% of the Federal Poverty Level
• Create a Preschool Incentive Program, modeled on the Kindergarten Incentive Program, to encourage expansion of school-based programs
• Invest in the training and compensation of the early education workforce as a critical path to quality (evidenced by lower turnover rates and greater teacher longevity)
• Increase collaboration between DHHS and DOE
Public Charter Schools

(recommendations pending)