Definition of the Cost of an Adequate Education

The Commission finds that the statutory definition of “Constitutional adequacy” should reflect the importance of assuring that all students have equal opportunity to achieve the same level of educational performance as their peers, regardless of the equalized valuation in their communities or their particular needs as learners. Therefore, the Commission defines the cost of an adequate education as the financial resources needed by each student to have the opportunity to achieve at the level of average statewide performance outcomes. Currently, performance outcomes are measured by attendance rates, graduation rates, and scores on 11th grade standardized achievement tests. This is an outcome-based definition that pegs the cost of an adequate education on results, not inputs.

The Commission is making no recommendations regarding the definition of adequacy itself, as defined by existing statutes (RSA 193 and elsewhere) and NH DOE standards and regulations. The numeration of the skills, knowledge, and dispositions that schools are required to address in their locally-determined curricula is not affected by a performance-based definition of the cost of providing an adequate education. Thus, the important question is not what kind of library a school has or what class size might be (for example), but rather whether the school is producing outcomes that achieve, or are progressing to achieve, the designated performance standard.

This performance-based definition will facilitate measuring the value of constitutionally adequate education in terms of the predicted costs for each district to achieve the designated standard of student-centered performance (e.g., the statewide average student performance level or some other metric selected in subsequent statute or standards).

This outcomes-based definition will facilitate accountability. By establishing standard means to measure performance, outcomes-based standards will enable consistent and timely assessment of relative district performance against those standards.

This performance-based definition will facilitate judicial review. If a district’s outcomes are consistently below state average, such under-performance will provide cause for judicial review.

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 Commission also finds that the costs of state-mandated transportation services should be included in the total calculation of educating students. 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 critical importance. Access to and opportunities for CTE should be expanded in order to meet the state’s workforce needs. The Commission affirms the language and intent of HCR 12 (approved May 12, 2016) which calls for 65 percent of the state’s working age population to hold a post-secondary education degree or credential by the 2025. A robust career and technical education program available to high school students is a critical means to achieve that goal.

**Process to Achieve Target:**

- CTE is part of an adequate education, and the commission is encouraged to support this vital component of an adequate education. This goal could be achieved by allocating a flat dollar per student amount as an incentive for districts to expand access to CTE programs.
- 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, including provisions to assure continued maintenance of the CTE per pupil allocation and make adjustments aligned with inflation over time.

**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
• Affirm that Special Education Aid remain outside of the funding formula proposed by the Commission, similar to other states across the country.
• Affirm that both Special Education Aid and the federal and state special education laws, rules, and implementing administrative practices of which Special Education Aid is an integral component are included within the state’s commitment to provide every child with an opportunity for an adequate education.
• Affirm the commitment on the part of the state of NH to fully fund Special Education Aid by appropriating sufficient funds in order to pay its full share of excess cost under RSA 186-C:18 (requiring the state to pay 80% of costs between 3.5 and 10 times the state average per pupil cost and 100% of costs above 10 times the average cost).
• Affirm that official guidance documents, including data entry manuals, software manuals, software updates, and related memoranda, must be consistent with special education law and must provide for prompt state payment of Special Education Aid.
• Special Education Aid reimbursement should occur within the fiscal year services are provided. Basing reimbursement against previous year or years, trued up in the following year, should be possible and still consistent with special education laws.
• Special education aid should include provisions to reimburse school districts for charter school students with IEPs who require services from the student’s home district. There is a need to create data collection capacity within DOE to rationalize rates charged to LEA’s by receiving public charters.
• A Task Force should 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.
• Changes to existing catastrophic aid provisions must be aligned with any effect on ECM weights (e.g., if catastrophic aid went to 2 ½ times average statewide per pupil cost).

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 and funding for the Child Care Scholarship Program beyond current threshold of 250% of the Federal Poverty Level
• Create a Preschool Incentive Program, modeled on the Kindergarten Incentive Program, to include enrolled preschool aged children in the district ADMA in order 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; consider opportunities for improved data collection

Public Charter Schools (to be developed)

[Need to address how proposed ECM will apply to public charters, given current state funding of $3411 per pupil on top of base adequacy (plus differentiated aid). Need accountability mechanisms relative to this funding, esp. re: special education students and student performance in general. How to address access to transportation for students enrolled in charters?]