Adequacy/Distribution Workgroup
Commission to Study School Funding
Oct. 29, 2020, 3-5 pm

Present: Jay Kahn, Val Zanchuk, Barbara Tremblay, Iris Estabrook, Bill Ardinger, Dick Ames, Rick Ladd, Mary Heath, Mel Myler. Absent: Jane Bergeron-Beaulieu. Also in Attendance: Jordan Hensley, Drew Atchison. 9 public attendees.

Just after 3pm, Jay Kahn welcomed work group members and called the roll.

Jay introduced the day’s agenda, and then the adequacy work group moved into a presentation and conversation with AIR with a model where school size has been removed. Drew noted that removing the district size category has a negative impact on the model because it dramatically changes the relationship between the weights. He recommended using a different mechanism (other than removing the district size weights) to deal with the issue of districts that are small by choice vs small by necessity.

Jay – the fit of the model goes down significantly from the original analysis to this? Drew – yes, the original model had a fit of .98, and it moves down to .8 without enrollment category weights. Val – becomes a mathematical model that does not well describe the real world.

Drew – I think Dave made the point earlier, the more variables you use the lower the base will be as it picks up variation in costs.

Iris – I think what you’ve proposed about using some kind of population density/distance measure before applying the weights solves the problem that I have been concerned about. Jay – how would that impact a Nashua and a Manchester, given that they are our densest communities? Iris – talking about a floor, so it would be on the other side of the scale. Drew – that’s right. It would only affect the small districts and those districts in areas, maybe in the suburbs, that are not geographically isolated. So if there are small districts in areas with other districts around them, the assumption is that those districts could consolidate. If the district is in a remote area, the assumption is that they could not consolidate. Iris – and the small districts by choice shouldn’t be rewarded for that choice with extra funding. Fine to choose, but not rewarded. Val – how would you factor that into the model? Drew – could turn it off, like a switch. If you are small by choice the small school district weight turns off – they would be treated as if they are in the largest district size category.

Dave – would that change the estimated costs in step one? Drew – No. The way we describe it is as a policy choice, not a difference in choice. The costs and weights remain the same, but it doesn’t impact the model. It’s something that we could simulate in the simulator using a population density variable or other metric chosen. Could use a simple population density cutoff. Dave – the part of this I have trouble with is if we are changing the step 2 weight model, we are introducing an artificial policy option that for certain school districts will get them to a different estimated cost.

Drew – it sounds like consolidation is a good thing from the state’s perspective. If small districts DID consolidate, they would not need the same amount of dollars per district. It is a policy decision to say that districts are operating inefficiently because they are making a choice. Dave – if it’s a different consideration, doesn’t that impact the step one model? Drew – it moves the
district from one category to another. It doesn’t change the model or the weights we estimated, it says the district could operate more efficiently at a larger size.

Val – so if the local district chooses to be small, the state grant would go down and the local costs would go up? Drew – true, and these districts likely have the ability to pay.

Bill – Could view it this way: keep everything in the model and state grant calculation the same, but pass the “encouraging consolidation through efficiency act”, where there is a deduct. Operates in a separate column. Iris – the towns I am concerned about are wealthy enough that they don’t care about the incentive. Should be framed as the state not reimbursing small by choice districts. Dave – If the districts of concern are the property wealthy districts, that would ring itself out, but unlikely to make a major difference from a state dollar standpoint.

Jay – is this kind of policy engineering in the scope of the Commission? We should decide that. Iris – ultimately everything is the legislature’s decision.

Rick – Back in 07-09, we had a number of bills put forth toward small, isolated schools. In the last bill proposed, had suggested $484 per student, or just less than $400k overall. On that list are places that may not need it. I think Drew is correct, you will have a lot of schools by choice. I think it’s a small issue, and would not like to see it be a weighted factor. Think there are other major issues, like CTE. I do not think there should be a factor for small, isolated, schools. Small schools, if you’re using in the step 2 funding, will cause a huge fire out there. Some districts with options, some with not. Discussion of Act 46 in VT.

Dave – I agree, but pros and cons to large and small districts. There may be some inefficiencies, but with so much emphasis on local control letting districts make up their own minds is important. Taking a position on school consolidation seems outside our scope. Rick – there is rationale within adequacy that references the need for students to come out being skilled and qualified for work that we are not currently doing.

Jay – I think there is a divide on this question. If this will get decided, will likely be a full Commission meeting to decide it.

Dave – should ask Carsey team if there is any analysis they can provide on school district density? Drew – we could run numbers of which districts fall under what population density (census data). But if other ways of considering geographic isolation would be more challenging. Some further discussion of density cutoffs, number of districts impacted, and whether small school weight changes is a major issue. Some consensus was reached that it should be noted in the final report but left up to the legislature as an item that needs consideration but without a specific recommendation from the Commission.

The adequacy work group then moved on to a discussion of the categorical briefs prepared by various members of the Commission. Those briefs can be found on the Commission website under the 10/29 meeting documents.

Briefs included building aid, career and technical education, early childhood education, and special education. Commission members summarized their respective briefs and provided draft recommendations to the group, which are available to read through in full.

Suggestions/edits to proposed categorical recommendations in briefs:

Building Aid

Iris – should emphasize air quality and the need to upgrade that. Should take it seriously and make more of a statement. No current requirements to measure air quality. Should make a
statement about $50mil being a minimum and a request to invest more following the current crisis. Dave noted that he would update the brief based on those comments. Bill referred to historical changes in building aid.

Career & Technical Education
Bill – question about CTE, but if it is within adequacy the state does not have control, whereas targeted grants would ensure that the money is targeted for CTE in a categorical grant. Some discussion of whether CTE should be within adequacy or in a categorical grant.

Early Childhood Education
Still some updates to be done in time regarding costs around unfunded mandates. Mostly a discussion of issues to consider,

- Expand access to education to 3-5-year-olds in both public school and community based settings
- Expand access to those at or below 250% of the federal poverty level, and to those beyond
- Expand public access to pre-k similar to the kindergarten incentive program
- Would like the legislature to consider ways they can support investment in the early childhood workforce
- Increase collaboration between DHHS and DOE

Dave noted the need to expand programming within the CCSNH
Some conversation on looking at the Shaheen program for early childhood education as a frame for recommendations.

Comments Placed in Q/A Box:
Doug Hall 03:43 PM
The discussion about size is not complete. AIR talks about size of districts. Others are talking about size of schools. There seems to be some assumption that these are the same. They are not.

Doug Hall 03:44 PM
ConVal district and Mondadnock district are large but they include numerous very small elementary schools. What to do about size needs to be clear whether the discussion is by district or by school.

Full video of the adequacy meeting can be found at: https://carsey.unh.edu/school-funding/resources/meeting-documents-video