

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

### **Meeting Agenda**

November 16, 2020, 1:00-4:30 pm

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

General Email: [schoolfunding.commission@unh.edu](mailto:schoolfunding.commission@unh.edu)

**Commission Attendance:** Dave Luneau, Mel Myler, Dick Ames, Rick Ladd, Jay Kahn, Jon Morgan, Bill Ardinger, Jane Bergeron-Beaulieu, Corinne Cascadden, Iris Estabrook, Barbara Tremblay, Chris Dwyer, Susan Huard, Val Zanchuk, Mary Heath, Dave Ryan, John Beardmore. 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 1pm Dave Luneau welcomed attendees and called roll. Dave provided opening comments and addressed two items. The new legislative session begins on 12/2. The Commission membership remains unchanged unless it is changed, but it is at the pleasure of the legislative leaders and government office. The Commission is moving toward a 12/1 reporting date. Today, the Commission will look at draft findings, principles, and recommendations. The purpose of the final report is not intended to include legislation or statutory language that is pre-made policy, the report serves anyone putting together policy work moving forward.

Dave asked the Commission to approve minutes from 11/12. Moved by Myler and seconded by Tremblay. There were no edits, additions or deletions. Motion carried with Ladd abstaining.

Rick Ladd asked for clarification about the calendar for the week of November 16<sup>th</sup>, 2020. Bruce noted the best solution was combining fiscal policy and adequacy workgroups from 2-5pm on November 20, 2020. There are multiple competing obligations for members. Three hours is blocked out for a substantive discussion of the report a work group session to build final recommendations. Dave asked for a discussion about who could attend on Friday, November 20<sup>th</sup>. Bill Ardinger suggested the time be used to draft a full report. Jay Kahn suggested the conversation resume at the end of the current meeting (11/16).

### **Discussion and action on contract extension with Carsey School**

Tabled for this meeting, waiting for review from House and Senate administration.

### **Final report structure**

Bruce asked the Commission to review the report outline and asked for comments. Chris Dwyer noted the importance of providing an opening statement about this being the first time an outside group has reviewed the state's data and found inequities in the way NH funds schools, and this should be amplified earlier in the report.

**Inclusion of individual member statements.** Dave described these parameters and ground rules regarding individual member statements. This is an opportunity for Commission members to

share their thoughts about the work on the Commission, concerns, words of support etc in any of the areas addressed by the Commission. Dave noted the statements should be directed to findings, recommendations, and principles in the report. Provide evidence in the statement, as appropriate using the Commission's work, and offer alternative needs for investigation, inquiry, data, testimony etc. The statements should be sent to the Commission chair and Carsey staff. Statements can also be made via public comment using the Commission's feedback form on the Carsey website - [https://unh.az1.qualtrics.com/jfe/form/SV\\_e4gwYUyg0FHQNxP](https://unh.az1.qualtrics.com/jfe/form/SV_e4gwYUyg0FHQNxP). Bill suggested the tone of member statements to be unto the members making the statement without a limit pages. Dave reminded members to raise concerns and write what they need but appreciating reference to what is in the report (see discussion through 35 minutes into recording).

The final report will be available for review prior to the next Commission meeting. The full draft of the final report will be reviewed on 11/23, and then the edits will be completed afterwards. Rick noted that in 2008 and 2018 there was an opportunity to submit a minority report. Rick requested clear dates and deadlines, so people have the chance to put together their statements. Iris and Rick both noted concerns about running into the holiday.

### **Discussion of next drafts of workgroup reports**

Dave asked the Commission members present to look at the drafts send to them on 11/16 for discussion – and turned it over to Bruce.

**Public Engagement.** Carrie provided an overview of the current version of the engagement workgroup report, highlighting the findings listed on page 7. Commission members Chris Dwyer and Rick Ladd asked for clarifying language on the findings located on page 7, specifically numbers 2, 3, 4, and 7. Corinne, Bruce, and Carrie offered clarification referencing findings from the Granite State Poll and the School and District employee survey. This linked to Rick Ladd's comment regarding potentially combining 2 and 3. It was noted to review the language of these comments for clarity based on these suggestions. Clarification of what an unfunded mandate was also suggested for the general audience. Bruce reminded the group that these findings are subjective and qualitative in nature and help inform the Commission's work. (See through 39 minutes of the recording).

**Adequacy and distribution.** Bruce walked the group through the draft of the adequacy and distribution workgroup. Bruce noted the highlighted text needs review and comment. Jay noted the clarification of language between performance and performance outcomes. Jay noted that when referring to adequate education we refer to an opportunity for an adequate education. Dave confirmed. The final paragraph in a previous draft was removed that referenced judicial review. Dave asked Bruce and Jay to comment on performance-based definition and outcomes-based definition. Bruce noted the different uses of outcomes in statutes and in the AIR report. Clarification of this term is needed throughout the report. Further discussion occurred about language on page 2 regarding standard outcomes. Commission members further discussed the wording and language in the paragraph before the Estimated Cost Model section for clarity around the sentence on page 2, "This outcomes-based definition will facilitate judicial review of the constitutional duty of the State." Rick noted performance is the pre-cursor to outcome – or performance includes outcomes. Val Zanchuk noted the need to describe the tie between what schools are spending (by category) that then adds up to say \$17,000. Bill noted the \$17,000 is a

prediction of total district spending without prescription, local districts have control and decision-making on this. Val noted if you reference categories from 2008. Val wondered if you add up what school districts are doing does it add up to \$17,000. Jay referenced Iris' statements that input and outcomes based models are essentially the same – it's circular. Chris noted making the estimated cost and current average spending match is problematic. Bruce noted a section on "what are we currently doing," in terms of school funding can ground the study at the beginning of the report. Dave further noted the comparison between estimated costs and the average current spending. Rick noted support for Val's comment – linking inputs and the outcomes-based approach. Dave asked Rick for an example. Rick used the example of teacher:student ratio. Bruce noted the sentence the Commission -- *is not making any recommendations to change the definition of an adequate education as defined by existing statutes (RSA 193-E)*. Dick Ames recommended change the words to it makes it clear the Commission is not recommending a change to the existing statute (RSA 193-E). Val and Jay further discussed a clarification of language regarding spending, outcomes, inputs, performance, outcomes. Val noted the difference between input dollars and listing what inputs make up the costs. Iris made the point that you can state with the outcomes, but what you are funding are the inputs. Iris noted her concern about how the outcome model changes over time when thinking about student averages. Jay clarified need to look at the district level. Discussion continued about the AIR report findings and current spending. Bruce clarified that the \$17,000 is the average what's currently being spent; it includes inputs. Chris wondered if it helps to say the inputs are a minimum model-framework, just as the findings and recommendations provide a minimum model-framework. Chris noted an evaluation study would be useful of districts who are spending close to average and are having great outcomes – a follow-up study would provide increased understanding. Chris noted there are different kinds of inputs for higher needs. Iris noted funding the input equalizes student outcomes. Rick finally noted in the section on page 2 to remove the term dispositions to change it to work-study practices (as defined in the school-performance section of law).

Jay moved the group toward discussing the ECM section and noted previous review. Bruce scrolled to page 3 and focused on the words under Building Aid. Rick noted concern with the first bullet. He noted his work in Woodsville. Dave noted the second bullet point and explained it further (listen to an hour and approximately 45 minutes into the recording). Bruce asked if the point needs further clarification. Chris wondered if there is data to back-up the point. Dave notes the data lies in the backlog of projects, looking at when schools are built. Bill noted a key point for him was hearing members of the adequacy workgroup supporting the growth of a CTE program and the other areas highlighted, getting lost in the details is for the legislature and people in the NH DOE. Iris concurred the second point under Building Aid is too detailed and wanted a stronger statement made in the third bullet – it will take more than \$50million to address the building issues faced by poorer districts. Iris noted a finding that inadequate school facilities is bad for student outcomes – Rick referenced the evidence and the brief on Building aid. Rick suggested the first two bullets should be reconsidered, it is a complex issue that is outside the discussion of the Commission, needs to be more generalized. Edits were made to the point that references the priority of projects for health, security, safety and accessibility etc on the bottom of page 2.

Bruce moved on to the section on Special Education and noted clarification edits that were made. More details are available in the brief. Rick asked for discussion on bullet three. Jay and Dave noted a need to clarify the final bullet.

Jay asked the group to focus on the Charter School section. Iris noted the discussion was captured well.

Bruce scrolled to page 1 and focused on the Findings section. Jay reworded the statement. Iris also wanted the statement reworded. Bill asked if a comment on the current state is needed – making the point the Commission focused on an output approach to funding an adequate education. Dick noted the Commission does need to address this based on the charge. Bill asserted the need to make a statement about the finding from AIR that NH has the most regressive formula. Rick mentioned the 2008 report. Dave notes references to different levels of fiscal disparity aid over time. Moving to a more broad discussion of the findings, Bruce edited the first bullet, and Commission members suggested deleting the second. Jay noted the need to say something about the weights for differentiated aid. The edits to these findings will be available in the next edit/revision of the report. Iris suggested the language for number 4 under findings – Building aid distribution...Rick also added some additional thoughts with reference to the age of school buildings and the limited number of building aid projects being approved. Jay explained finding number 5 and Dick Ames clarified. Barbara Tremblay agreed that the state about the opportunity for an adequate education was written well. Iris noted a need to add a finding about early childhood. Bruce added number 7 to the findings, “The opportunity for quality early childhood education leads to documented positive educational and lifetime outcomes, especially for children from low-income families.” Jay asked for improved wording on the special education mandate.

Comments made in chat by Commission members during this discussion included:

- Mary Heath wondered and commented: Do you need to establish an annual review? Security must include technological security.
- Dave Ryan commented: Same high standards for all, different supports and resources for each.
- Iris Estabrook commented: change low income children to children from low income families

Bruce moved on to the recommendations section on page 1 of the Adequacy workgroup draft. Jay and Iris mentioned the language regarding incentives, local districts, partnership between state and local. Dave noted that building aide is essentially a start-up, needs more fuel and evaluation 3 to 5 years out to understand the amount of fuel to reach steady state. Bill wanted to add a recommend that the value of constitutional adequacy should vary significantly among communities in a manner that addresses those communities with the greatest need. Rick wondered about the term constitutional adequacy. Bill noted the term speaks to the varying role of the state by community, based on needs. The constraint of state funding adequacy does not allow to tilt the curve from regressive to progressive. Iris asked how you define the greatest need? Jay suggested the language in the recommendation be grounded with outcome factors and language.

Bruce and Dave suggested the group take a break and move on with Fiscal Policy discussion.

It was agreed upon during this time to schedule meeting on Thursday, November 19 from 3 to 4:30 and Friday 2-5pm.

**Fiscal policy and resources.** At 3:49 the fiscal policy draft was shared on screen for discussion. Dave focused on page 1 and referenced the statement was lifted from Federal Reserve Bank of Boston report and was from the Londonderry decision. Dave asked for response to this point. Iris noted it is the court decision language – the basis for previous school funding work. Dave said it might be helpful to look at it again once there is an entire report. Bill noted he believes that the first and last dollar is not a good policy, and the summary statement is good. Dick agrees it captures what the court has said in general language. Rick reiterated the need to define inputs as the portion that we need to pay for. Dave said there is a lot to unpack from the court decisions and showed concerns about context. Iris showed concerns about the context of the statement as well. Further explanation can be heard about 56 into the meeting recording. Iris wanted more attention given to the language in the first point on page 1. Bill, Iris, and Dave continued discussion, see 3 hours into the recording for further detail.

Dave suggested the point under student equity should be aligned with the adequacy workgroup draft. Dave noted accountability will be discussed on Thursday, November 16<sup>th</sup>.

Dave moved on to the fiscal neutrality heading. Dick noted he believes the principles stand and would like to keep them. Bill and Dave brought up that the language needs clarity in interpretation. Jay noted, we don't want to limit what a community can provide. Bruce noted the need to revisit the wording. Jordan reiterated that wordsmithing can help make it clear – tilting the curve from regressive to progressive as mentioned previously in the meeting. The second points to the work of the Lincoln Institute (Dr. Kenyon), look at addressing student equity. Dave talked about the links between tax payer equity and student equity. Further discussion on the second point is needed. Jordan explained the purpose is not to back into a prescription of a particular state ratio of state/local contribution. Further attention is needed for clarity among Commission members, Iris noted concern especially regarding the second comment.

Dick Ames provided comment on the Horizontal Taxpayer Equity section, he wanted further discussion on the second sub-bullet and/or finding a spot to talk about local property tax. The first bullet needs to be moved to the beginning of the taxpayer equity section. Iris asked for further explanation about the mandatory local minimum. Dave, Dick, and Bill provided an explanation, listen in at 3 hours and 20 minutes into the recording. Iris asked for reference to the AIR report, which Jordan will send to the Commission members. Discussion continued regarding page two of the draft report. Rick wondered what response would the Commission give to the public, regarding the AIR findings and recommendations, and the shifts in their local spending that may occur. Dave responded with reference to fairness, averages, and enrollments. Bill acknowledged the ongoing discussion about fairness and clarified that the AIR simulator and models are tools to use – the AIR model is not a proposal; it is a tool. Bill referenced Mel's comment about caring out kids from all communities. They are all our children. Self-interest may occur in terms of costs and who pays, but these principles suggest a focus on student equity statewide. Bill hopes the Commission follows Mel Myler's lead, Dick seconds and notes the formula is a choice AIR made to lay out a scenario, and there are many scenarios that can be laid out in years to come. Dave noted the document established principles to develop education funding plans and judge education funding plans. The findings center on the student-equity issues, which does not exist in NH. Jordan noted that the principles do not lie in isolation – the focus is on taxpayers and the report has further information about low and moderate incomes. Further principles in the report lay this out on pages 3 and 4.

Dave noted at 4:41pm that the group needs to wrap up for the evening. Bruce concurred and noted the meetings on Thursday and Friday. Thursday will focus on Accountability. Jay asked to capture people's thinking about the accountability discussion prior to Thursday.

### **Shifted Topics for Future Meetings**

- Accountability (focus of November 19)
- Discussion of high level findings and policy principles
- Phased implementation
- Alignment with Commission's charge

### **Public Comments**

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

Dave opened the meeting for public comment at 4:46pm.

Jeff McLynch, NH School Funding Fairness Project – Jeff focused on two topics that arose in the fiscal policy workgroup principles. He suggested dropping the point “it is axiomatic” and the sub-bullet “considering floors and caps.” Jeff explained that the axiomatic statement contradicts the findings of the engagement workgroup, reference to second finding regarding that the current system does not work in people's minds. Jeff referenced the Claremont II case. He also noted a concern about the conversation about a local mandatory minimum in relation to the floors and caps point.

Paul Deschaine, Newington Board of Selectman Project manager – Noted that the inherent problem with local or state property tax, it is property tax regardless. The administration of that tax will still be the responsibility of the local communities. People do not go to the state to talk about property tax issues. The negative perception of community members, regarding locally raised taxes that would be sent to the state and be redistributed, needs to be further explained to community members. It is challenge that will persist.

John Tobin, NH School Funding Fairness Project – Focused on the minimum mandatory contribution. He noted the way the rate works in vital, a portion will pay for a piece of adequacy. If it is going to pay for adequacy, the rate has to be the same, especially if recommending the minimum mandatory contribution. The tail can't trail off or the same problem that exists will continue. The constitutional principles are clear and simple, and compelling. Taxpayer equity and student equity can be achieved, and the AIR report shows how to do it.

Sallie Fellows – Noted she didn't hear anything that clarifies the difference between a district and a town, and Sallie asserted the differences for cooperative districts. Any formula that uses equalized valuation per pupil, needs to take into account the difference between districts and communities, and links to accountability. How money is spent is made at the district level not the cooperative level. Sallie also noted the intense increase of property values, and the increases are not the same from one town to the next. Do you think the property tax payers can afford to have the SWEPT go up by 30%?

Jane Ferrini – Jane wanted to raise a few points on the tax issue and how commercial property is valued in the state of NH. There are few ways to assess commercial property. Since we are relying on the property tax, the issues as we see them become more complex. The burden should not be on the residential tax payer only. Lots of towns put tons of land in current use and is taxed at a lower rate. The burden remains the burden on the local residential tax payer. Jane recommended that this difference in property taxing needs to be referenced in the report. Jane also noted the properties in NH are being sold for much higher than the appraised values during COVID-19. Jane asked the Commission to remember a town does not pay property tax, an individual pays property tax – a sanctimonious reply is not enough. The state has to find ways to fund an adequate education. Jane re-iterated the funding mechanism is fundamentally flawed overall. Jane cautions the Commission to be thoughtful about the whole property tax issue and would hate to see the findings and recommendations made by the Commission be dismissed because the system is flawed rather than the hard work and findings shared in the report.

### **Upcoming Meetings**

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

Additional meeting are scheduled for:

- Thursday, November 19, 3-4:30pm
- Friday, November 20, 2-5pm

The next Full Commission Meeting is Monday, November 23, 2020

### **Adjourn**

### **Documents:**

Documents for this meeting can be found on the Commission website under 11/16 materials - <https://carsey.unh.edu/school-funding/school-funding-study/resources/meeting-documents-video>

### **RSA 193-E:2-e**

- a. Review the education funding formula and make recommendations to ensure a uniform and equitable design for financing the cost of an adequate education for all public-school students in pre-kindergarten through grade 12 in the state.
- b. Determine whether the New Hampshire school funding formula complies with court decisions mandating the opportunity for an adequate education for all students in pre-kindergarten through grade 12, with a revenue source that is uniform across the state.
- c. Identify trends and disparities across the state in student performance in pre-kindergarten through grade 12 based on current school funding options.
- d. Re-establish the baseline for the costs, programs, staffing, and facilities needed to provide the opportunity for an adequate education.
- e. Study and produce recommendations regarding all costs and existing funding for special education, including listing any currently unfunded special education mandates issued to date by the state department of education.

- f. Study integrating into the education funding adequacy formula a factor that accounts for the number of Class A, B, and C properties in a community, and the distribution of education funding costs across those numbers and classes of properties.
- g. Consider other policy issues as the commission deems necessary.<sup>1</sup> The commission may consult with outside resources and state agencies, including but not limited to the department of education, the department of revenue administration, and the legislative budget office.

---

<sup>1</sup> The Commission has asked to be sure that public charter schools and Career Technical Education Centers are included in any analyses and policy recommendations.