

**MINUTES**  
(Subject to Approval by the Committee)  
**Public School Funding Formula Committee**  
**Tuesday, June 20, 2017**  
**9:00 A.M.**  
**Room EW40**  
**Boise, Idaho**

**MEMBERS:** Co-chairs Senator Chuck Winder and Representative Wendy Horman; Senators Dean Mortimer, Cliff Bayer, Lori Den Hartog, and Janie Ward-Engelking; Representatives Scott Bedke, Julie VanOrden, Sage Dixon, and John McCrostie; and nonlegislative members Dr. Linda Clark, State Board of Education, and Sherri Ybarra, Superintendent of Public Instruction.

**ABSENT/EXCUSED:** None

**ATTENDEES:** Tim Hill, State Department of Education; Tracie Bent, Office of the State Board of Education; Marilyn Whitney, Office of the Governor; David Hahn and Gideon Tolman, Division of Financial Management; Debbie Critchfield, State Board of Education; Jacob Smith, Idaho Digital Learning Academy; Kari Overall and Sue Wigdorski, Idaho Education Association; Samantha Verdell, Idaho Freedom Foundation; Teresa Molitor, Idaho Association of Charter School Leaders; Jess Harrison, Idaho School Board Association; Emily McClure, Idaho Charter School Network; Suzanne Budge, SBS Associates; Jane Wittmeyer, Coalition of Idaho Charter School Families; Carlie Foster, Lobby Idaho; and Emily Patchin, Risch Pisca. Legislative Services Office (LSO) staff: Paul Headlee, Robyn Lockett, Elizabeth Bowen, and Lara Margelofsky.

**NOTE:** Copies of presentations, handouts, and reference materials can be found at [www.legislature.idaho.gov](http://www.legislature.idaho.gov) and are also on file in the Legislative Services Office. The reference documents for this meeting's presentations can be viewed at: <https://legislature.idaho.gov/sessioninfo/2017/interim/psff-materials/>

**CONVENED** Co-chair Winder called the meeting to order at 9:20 A.M.

**WELCOME AND INTRODUCTIONS** Co-chair Winder welcomed those in attendance and reviewed the charges given to the committee.

**STAFF**

**PRESENTATION: REVIEW OF HOUSE CONCURRENT RESOLUTION 12 (2017)**

**PRESENTER: Paul Headlee, Budget and Policy Analysis Division of LSO**

Mr. Headlee reviewed HCR 12 and the differences from 2016 HCR 33, specifically, the ability to retain the services of an analyst or consultant.

Co-chair Winder and Mr. Headlee discussed timing of analysis, modeling tools, and other resources.

**COMMITTEE  
DISCUSSION**

**Attorney General Review of Amending the Public School Funding Formula**

Co-chair Horman discussed an opinion from the Attorney General's office on the legal parameters of a potential transition to a new education funding formula. She encouraged committee members to review the opinion and to contact Brian Kane with any questions, leading up to his presentation at a future meeting.

**PRESENTATION:**

**IDAHO'S ACCOUNTABILITY FRAMEWORK**

**PRESENTER:**

**Debbie Critchfield, State Board of Education**

Ms. Critchfield provided background on Idaho's accountability framework, the development of a new system, and its relationship with federal rules and guidance. She noted that the new framework moves toward being more supportive, rather than punitive.

Highlights of the accountability framework include:

Performance Measures:

- An accountability system that meets state and federal accountability needs
- Multiple indicators used to show overall performance and school climate rather than only standardized test scores
- Indicators to be provided on a data dashboard that present a well-rounded picture of school performance in addition to use for accountability

Framework:

- Schools separated into three types: elementary and middle schools (K-8), high schools, alternative high schools
- Indicators separated into two types: academic, school quality

Scoring and Reporting:

- All indicators will be broken-out by population subgroups
- Board to determine other methodologies for reporting indicators and determine performance expectations
- 95% participation rate required or school identified as not having achieved measurable progress on ISAT Proficiency (May be calculated based on three year average)
- Board to establish targets for all academic and school quality measures, schools must maintain or make progress toward targets each year
- Accountability system applies to all public schools

The committee and Ms. Critchfield discussed growth toward proficiency, closing the achievement gap, measurement tools, growth

models, reporting, flexibility, graduation rates, college and career readiness, and teacher quality.

**PRESENTATIONS: UPDATE ON EVERY STUDENT SUCCEEDS ACT CHANGES & NATIONAL PICTURE ON FUNDING FORMULA TRANSITIONS, SPENDING, AND STUDENT OUTCOMES**

**PRESENTER: Daniel Thatcher, National Conference of State Legislatures**

Mr. Thatcher previewed topics including information/data systems, resource scarcity, advances in funding formulas, wholesale system redesigns, Dr. Marguerite Roza's productivity research, and economic gains.

Mr. Thatcher advised that useful questions to ask when considering implementation of changes to an education funding formula include:

- What information must State and LEA report cards include on per-pupil expenditures?
- How should per-pupil expenditures information be disaggregated on State and local education agency report cards?
- What must be included in the numerator and denominator when calculating per-pupil expenditures for State and LEA report cards?
- What is the difference between a uniform statewide procedure for calculating current expenditures per pupil at the school level and at the LEA level?
- Do the per-pupil expenditure reporting requirements align with existing Federal data collections on education spending?
- How should SEAs and LEAs treat Federal funds intended to replace local tax revenues?
- When should expenditures of funds distributed across multiple State fiscal years be reported?
- How should expenditures be reported if they are consolidated under a schoolwide program?
- What should per-pupil expenditures data look like to the public, as required on State and LEA report cards under the Elementary and Secondary Education Act?
- Is the timeline different for reporting current expenditures per pupil on report cards than for reporting other data on report cards?

Mr. Thatcher explained issues relating to school site per-pupil expenditures, historical revenue and expenditures, local education employment, advancements in state education finance systems, state intergovernmental aid formulas, mechanisms for divvying up state funds, cost differentials, student achievement, and examples of transitioning to a new formula.

The committee and Mr. Thatcher discussed comparisons of other states, federal definitions, dual enrollment, categoricals, local contributions, base amounts, modeling, and examples of ESSA flexibility.

**BREAK**

The committee stood at recess for lunch from noon to 1:30 P.M.

**COMMITTEE  
DISCUSSION**

Co-chair Horman reviewed the committee's previous work and last year's public feedback and roundtable interactions, and she opened discussion to address the committee's next steps and future efforts. She and Co-chair Winder discussed subject areas that may need a closer look, including health insurance premiums, facilities, and transportation, and the possibility of smaller work groups.

Representative VanOrden requested a cohesive document of the information that has been presented to the committee so far in order to have a visual of the big picture and an analysis of where Idaho stands.

Mr. Hill pointed out that the biggest education budget piece is spent on people, and he said that his approach would be to tackle that piece first, with a look at the desired outcomes.

Dr. Clark recalled the taskforce's strong recommendation to move to an enrollment-based funding model, tied to a recommendation that the state move to a mastery-based learning model.

Senator Mortimer presented seven items summarizing committee discussion in reference to Dr. Roza's recommendations on what a funding formula committee should cover:

- Student-based standards based on student achievement or outcomes
- A system that seeks the most effective use of funds
- Student-focused, pupil-based system or formula
- Accountability for use of funds
- Open market: Accessibility and availability of learning in all of its different aspects so that it protects and increases learning opportunities
- Transparency in student outcomes
- Local governance flexibility

The committee discussed the best way to move forward and also addressed topics including: desired outcomes, short- and long-term goals, mobility, per-pupil costs, line items, modeling tools, potentially hiring a consultant or analyst, and possible timelines.

**FUTURE MEETING** The committee will meet on Monday, August 14, at the State Capitol.  
**ADJOURNMENT** The meeting adjourned at 3:20 P.M.