

MINUTES
Approved by the Committee
Public School Funding Formula Committee
Monday, November 13, 2017
9:00 A.M.
Room EW 42
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:** Speaker Scott Bedke.

ATTENDEES: Representative Ryan Kerby, District 9; Tim Hill and Julie Oberle, State Department of Education; Marilyn Whitney, Office of the Governor; Gideon Tolman, Division of Financial Management; Tamara Baysinger, Idaho Charter School Commission; Matt Freeman, Office of the State Board of Education; Jacob Smith, Idaho Digital Learning Academy; Sue Wigdorski and Matt Compton, Idaho Education Association; Fred Birnbaum, Idaho Freedom Foundation; Carlie Foster, Lobby Idaho; John Foster, Kestrel West; Clark Corbin, Idaho Education News; Suzanne Budge, SBS Associates LLC; Jane Wittmeyer and Murphy Olmstead, Coalition of Idaho Charter School Families; Hollie Pettersson and Trent Kaufman, Education Direction; Jason Kreizenbeck, Lobby Idaho LLC; Graham Zickefoose, UI McClure Center; Liz Corker; Colby Cameron, Sullivan & Reberger; Neil Colwell, Avista Corporation; Dr. Marguerite Roza, Georgetown University and Edunomics Lab, participated via conference phone. Legislative Services Office (LSO) staff: Paul Headlee, Robyn Lockett, and Tetiana Powell. Brooke Brouman participated via conference phone.

NOTE: Copies of presentations, handouts, and reference materials can be found at 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 9:05 A.M.

**WELCOME AND
INTRODUCTIONS** Co-chair Winder welcomed those in attendance and reviewed the agenda. The committee approved by voice vote the minutes from the October 16 meeting.
Co-chair Horman recognized Representative Kerby in the audience and reported that Co-chair Winder, Senator Mortimer, Representative VanOrden and she attended regional superintendent meetings, presented to the Idaho Schools Board Association conference and met with school business officials.

STAFF

PRESENTATION: **TASKS FOR MOVING FORWARD**

PRESENTER: **Paul Headlee, Division Manager of Budget and Policy Analysis, Legislative Services Office**

Mr. Headlee presented the spreadsheet with the potential timeline for the public school funding formula interim committee. The timeline contains calendar years 2018 and 2019, fiscal years 2018, 2019 and 2020, the indication of sunset of Title 33-1004(1) (Mobility Provision) and the beginning of the fifth career ladder year. Mr. Headlee talked about the blocks with tasks in them, for which the committee is going to indicate space in the timeline. This spreadsheet is a planning tool for moving forward.

Co-chair Horman spoke about feedback from the Idaho Association of School Business Officials. They proposed to create a technical advisory committee to help coordinate and advise this interim committee on implementation technicalities of a student-based formula and an enrollment-based state funding model.

Co-chair Winder asked who would serve as potential technical advisors. Co-chair Horman noted that it was at the discretion of the committee, but she would recommend the inclusion of stakeholder groups, school business officials and information technology specialists.

Sen. Den Hartog concurred with Co-chair Horman and added that in some districts superintendents could also potentially serve as technical advisors.

Dr. Roza commented on the technical advisory group idea. She noted that a three-year implementation strategy is needed. Also, Dr. Roza talked about the issue where other states would take longer implementation time and the strategy would not go through as planned.

PRESENTATION: INPUT AND PERSPECTIVE ON TASKS AND TRANSITION STEPS

PRESENTER: Dr. Marguerite Roza, Georgetown University and Edonomics Lab

Dr. Roza asked the committee if they had questions about the timeline.

Co-chair Winder asked essentially what could be done without harming rural schools and communities. Although all the answers and facts are not complete, the committee has been assembled to find these answers.

Dr. Roza is concerned about the timeframe and technicalities regarding the technical advisory committee. She suggested certain hold harmless provisions. Dr. Roza is concerned that if the committee spends too much time and effort on small details, the public will lose track of the big picture.

Dr. Roza spoke about other states, spreadsheets and calculations of other states vs. Idaho as well as other states' career ladders for teachers.

Sen. Den Hartog asked about possible legislation in the near future. Dr. Roza gave an example of California's phased implementation.

Dr. Roza discussed the following topics with the committee: funding increases, other states' funding models, student funding models and ways schools spend and ask for money, funding percentages, district level decision-making, line item flexibility, variabilities in funding regarding the consumer price index, consideration of local supplemental levy amounts, career ladder system after five-year implementation, local district control and finance management, hold harmless phase and concept of it, real time accounting, technology for reporting and financial data collection.

COMMITTEE DISCUSSION: FINAL REPORT/RESOLUTION

The committee discussed Dr. Roza's suggestion of new legislation using very specific language on phases and achievement plan, final report vs. resolution and tasks for LSO staff, the possibility of technical advisory interim committee and the reauthorization of the current committee, and future tasks and charges for each committee.

PRESENTATION: TRANSITIONING FROM AVERAGE DAILY ATTENDANCE TO ENROLLMENT

PRESENTER: Tim Hill, State Department of Education

Mr. Hill started his presentation with considerations for transitioning from an Average Daily Attendance (ADA)-funding state funding model to an Enrollment-based state funding model. He noted that additional research and analysis will be necessary.

Mr. Hill addressed the objectives of the concept:

- To define "Enrollment"
 - To use school calendar hours (section 33-512, Idaho Code) converted to weekly hours based on a 36-week school year per respective grade grouping to determine full-time, part-time, and greater than full-time enrollment
 - To validate enrollment using student weekly time spent under the guidance and direction of teachers in the teaching process
 - To establish rules to address absenteeism/withdrawal of students
 - To determine funding responsibility for students whose enrollment is greater than full-time
 - Current practice reduces funding to those school districts and/or charter schools that educate the same student, defined as greater than 1 average daily attendance (ADA)
 - Alternatives include funding by the state or incremental cost to student
- To allocate Dual-Enrolled Student funding at state

Mr. Hill also talked about school calendars and what is considered full-time enrollment for grades K, 1-3, 4-8 and 9-12. He noted that each school district shall annually adopt and implement a school calendar which provides its students at each grade level with the minimum number of instructional hours. Mr. Hill said that students in alternative schools could continue to be funded based on average daily attendance, due to partial-year enrollment, and preschool special education students could continue to be funded based on number of hours educated per week. Also, he presented the way to calculate a fraction to address part-time students.

Mr. Hill addressed enrollment greater than full-time. He noted that the guidelines need to be established where the student is full-time in one program and taking on additional courses.

Sen. Den Hartog asked the committee to consider tracking high school students by credits or another metric rather than hours. Mr. Hill is open to a different or better way to define enrollment.

Dr. Clark noted that for better student quality outcomes, students who are full-time plus taking extra classes to catch up with previous courses have to be considered as well.

Mr. Hill expressed the necessity for schools to have to prove which students are full-time, rather than just reporting students as full-time even if they are not.

Sen. Den Hartog asked if there is harm in asking a family if students are enrolled in more than one school district.

Mr. Hill told the committee that through a lot of work and calculation, the attendance rate should be changed to 96% rather than 95%. The revenue neutral conversion should be 96%. Rep. Horman asked if this change will drop the cost from \$70 million to \$56 million. Mr. Hill said that this is his best estimate.

Mr. Hill explained the difference between a net report enrollment and an aggregate enrollment report. He said the goal has always been to have a statewide total that reflects how many students are here and eliminate those who are counted twice. Mr. Hill noted that the number of dual-enrolled students has increased, and he will report that number to the committee later.

Mr. Hill explained the challenge with determining how virtual students are counted.

Mr. Freeman asked about overload and dual-credit courses. Mr. Hill said that the intent is to pay for what has been earned and not any more.

Dr. Clark mentioned two models for advanced opportunity courses.

LUNCH BREAK: Co-chair Winder called a recess of the committee for lunch at 11:50 A.M. and reconvened the meeting at 1:10 P.M.

PRESENTATION: TIMING OF DISTRIBUTIONS TO SCHOOL DISTRICTS AND CHARTER SCHOOLS

PRESENTER: Julie Oberle, State Department of Education

Ms. Oberle started by mentioning her last presentation where she talked about sections in Idaho Code and highlighted topics, such as:

- Payments from the public school income fund
- Dates and percentages of payments
- Enforcement, revocation, appeal
- Charter school letter of Financial concern adjustment
- Public charter school financial support advances
- Staff allowance
- Student mobility

She talked about a school support program distribution schedule and percentages from FY 2007 to the present and proposed equal percentage for each distribution date based on the 2017-2018 school year compared to a current distribution schedule.

Ms. Oberle mentioned public charter school financial support in Idaho Code section 33-5208(6), where the state department of education is authorized to make an advance payment of twenty-five percent (25%) of a public charter school's estimated annual apportionment and the payment will be made to the school on or after July 1, but no later than July 31. She proposed to consider a 10% advance payment by July 31; 15% payments in August and October where by October 1st all schools will be at 40%.

Ms. Oberle referred to another code section 33-5209C relating to charter schools. She talked about the charter schools with letters of financial concern and equal distribution for such. She addressed charter schools with advance payment and a letter of concern.

Ms. Oberle also addressed salary and benefit apportionment, discretionary funds and student mobility.

Ms. Oberle talked about possible Idaho code changes, such as:

- 33-1009 - Public School Income Payments
 - Dates and Percentages of Foundation Payments
 - Add October 1
 - Replace July 15 with June 15
 - Change the August 15, November 15, February 15 and May 15 Payment Percentages to 20%
 - 33-5208(6) – Financial Support (Charter Advances)
 - Change the Percentage of the Advance Payment
 - 33-1004(1) – Student Mobility
 - Effective through June 30, 2019

**STAFF
PRESENTATION:**

Co-chair Winder asked for unanimous consent to add Draft Concurrent Resolution DRsBB003, by Brooke Brouman, to the agenda. With no objection the draft was added to the agenda.

Co-chair Winder asked Ms. Brouman to address the committee.

Ms. Brouman presented the language in the draft resolution. She covered:

- Request to reauthorize the committee for the following interim
- Summary of committee accomplishments
- Committee's recommendations to the legislature
- Future decisions the committee must make
- Recommendation to establish a technical advisory committee

The committee suggested to change the language on page 1, line 33, item 6 from the word "establish" to the word "determine" and the ability to change or modify language when and where it is deemed necessary by the committee.

Representative McCrostie discussed with the committee the career ladder salary schedule.

**COMMITTEE
DISCUSSION:**

The topics discussed were as follows:

- The career ladder salary schedule
- The state/local funding of the career ladder
- The weighting of the career ladder
- The unequal distribution of experience in education and issues that could arise from not considering a differentiation of the amount per student
- The shortage of teachers and the proper compensation/retention
- Aspects of the career ladder beyond just the allocation of funds
- A possible recommendation list of types of stakeholders for the technical advisory committee and the data collection of the members. The possibility of multiple committees for varying fields
- The use of the word "implementation" vs. "technical" for the advisory committees
- Additional language in DRSBB003, such as reauthorization of the same staff members for LSO, Department of Education, Governor's Office, DFM and the Board of Education
- Additional language in DRSBB003, to explain why the funding formula is being changed in order for the public to understand why changes are necessary. The new funding formula should be predictable, reliable, transparent, equitable, simple, and emphasize continuous improvement, productivity and local control.

ADJOURNMENT: The meeting adjourned at 2:15 P.M.