

MINUTES
Approved by the Committee
Public School Funding Formula Committee
Tuesday, April 17, 2018
8:30 A.M.
Room EW 41
Boise, Idaho

- MEMBERS:** Co-chair Senator Chuck Winder; 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 Pete Koehler representing Sherri Ybarra, Superintendent of Public Instruction.
- ABSENT/EXCUSED:** Co-chair Representative Wendy Horman.
- ATTENDEES:** Senator Brent Hill, District 34; Representative Ryan Kerby, District 9; Representative Lance Clow, District 24; Tim Hill, State Department of Education; Tracie Bent, Office of the State Board of Education; Gideon Tolman, Division of Financial Management; Tamara Baysinger, Idaho Charter School Commission; Jeff Dillon, Wilder School District #133; John Foster, Kestrel West; Kate Haas, Kestrel West; Quinn Perry, Idaho School Boards Association; Kurt Kargou, Bluum; Fred Birnbaum, Idaho Freedom Foundation; Mike Keckler, State Board of Education; Teresa Harper, Association of Charter School Leaders; Suzanne Budge, SBS Associates, LLC; and Jim Clark. Legislative Services Office (LSO) staff: Paul Headlee, Robyn Lockett, Brooke Brouman, and Olivia Johnson.
- 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/2018/interim/psff/psff-materials/>.
- CONVENED:** Co-chair Winder called the meeting to order at 8:35 A.M.
- WELCOME AND INTRODUCTIONS:** Co-chair Winder welcomed those in attendance and noted Co-chair Horman's absence. **Senator Bayer moved to approve the minutes from the March 27 meeting, Senator Mortimer seconded the motion, and the minutes were approved unanimously by a voice vote.**
- PRESENTATION:** **DEVELOPMENT OF A NEW FUNDING FORMULA**
- PRESENTERS:** **Michael Griffith and Emily Parker, Education Commission of the States**
- Mr. Griffith explained that Education Commission of the States (ECS) will create a new student-based funding formula after receiving input from the public and direction from the committee. He said that ECS will provide research, but the committee will ultimately make the decisions about the state's new funding formula. He emphasized that ECS doesn't have a formula already written and that its primary focus is to help the committee make decisions.
- Goals of the formula:
- Increased flexibility for districts

- More adaptability for future changes
- Functionality under Idaho's current spending levels (no assumed funding increase)
- Ability to be phased in over a period of time (to be defined by the committee)
- Hold districts harmless during the transition (committee must decide what this means)

Deliverables:

- New student-based formula
- Interactive, changeable school funding model in an Excel spreadsheet
- Dissemination plan to help the public understand how the new formula will impact them

Timeline:

- June - ECS will complete research and regional meetings.
- July - ECS presents research and findings from regional meetings for the committee to make major decisions about what it wants in the formula. Substantive comments and feedback should be given to ECS by the end of the month for inclusion in the preliminary model.
- August - Presentation of the preliminary model. The formula will be produced in an Excel spreadsheet to help keep the process transparent and open to the public. It will be designed and tested by third-party contractors prior to presentation to the committee.
- October - Final formula produced by ECS. The final report will be delivered in late October, leaving a month's time for dissemination of the model before the committee's work wraps up in November. ECS will work with the committee to create a dissemination program for the new formula once it's finished, including materials like briefing papers, press releases, videos, and public meetings.
- ECS will have ongoing communication with the committee and staff, with calls every one-two weeks during the process.

**COMMITTEE
DISCUSSION:**

ECS received the committee's permission to collect additional input from state level groups, the business community, parents and parent organizations, and others.

- Representative Dixon advised being judicious in setting parameters around the conversation with state groups.
- Senator Den Hartog noted that the committee would like to hear from a large cross section of the membership of certain organizations, not just from the representatives of the organizations who regularly address the legislature.
- Senator Bayer requested that notice of the public meetings be disseminated widely to engage a variety of stakeholders.

PRESENTATION: IDAHO SCHOOL FUNDING REGIONAL MEETINGS

PRESENTERS: Emily Parker, Education Commission of the States

Ms. Parker explained that regional meetings are being held to: 1) Gain input from school district staff and see what the people who live with the formula every day want in a new formula, and 2) Inform people in the districts about the committee's work and the potential changes happening (and that ECS is not there to take away school funding).

- There will be 12 participants invited by ECS at each meeting.
- Participants will represent a cross section of occupations (teachers, school budget officers, superintendents, school board members and others) and districts (small, medium and large).
- The committee agreed that holding six regional meetings to overlay with the education regions in the state makes sense – ECS will work with staff to set these up for a wide geographic spread of meetings.
- Each meeting will consist of at least two group meetings (12 each) - Mr. Griffith and Ms. Parker from ECS will each have their own focus group with 12 people in each room, where they will give an overview presentation and ask questions about the funding formula.

Ms. Parker described the public meetings that ECS will also facilitate:

- They are an opportunity for other stakeholders in the community to express their priorities.
- Committee members are encouraged to attend public meetings rather than sitting in on the invite-only meetings.
- Parents and parent organizations should participate in the public meetings, since the private meetings will be for school professionals only. ECS can meet with parent organizations individually if the committee would like. Senator Den Hartog suggested that school districts use parent e-mail lists to notify parents about the public meetings.

COMMITTEE DISCUSSION:

The committee discussed having more meetings in larger population areas, having multiple facilitators from ECS per session, having multiple representatives from one organization in each session, and whether it would be helpful to have different groups for people with varying levels of familiarity with the formula.

Ms. Parker and Mr. Griffith noted that ECS can run multiple meetings, though they recommend having no more than 12 people in the room per meeting to hear feedback from everyone in attendance, with no more than one representative per group. They suggest having a variety of professionals invited to each session, and find it particularly helpful to have English Language Learner and special education teachers take part. Mr. Griffith recommended that just he and Ms. Parker run the meetings, with some support staff, to maintain consistency in data collection. Mr. Griffith said that the groups work better with a mix of people, rather than separating teachers from administrators or from those who work directly

with the formula.

Speaker Bedke expressed concern that some key stakeholders might feel left out if they aren't included in the invite-only focus groups. He believes it's important to make clear to everyone that no final decisions will be made at the invite-only groups, and that input can still be heard at the public sessions.

Mr. Griffith noted that ECS has a series of specific, targeted questions for those at the smaller, professional groups, while they will take any and all comments received at the public meetings.

Representative McCrostie suggested using more precise terminology to make it clear that the 12-person panels are composed entirely of education professionals who are familiar with the formula and use it regularly.

Co-chair Winder asked Mr. Griffith to work further on refining the name of the invite-only group to help manage expectations. Mr. Griffith noted that they will modify terms to convey that it's a set of meetings with school professionals to help ECS make very specific decisions.

The committee discussed extremely small/isolated districts and charter schools:

- Mr. Griffith noted that he has previously found it helpful to hear from extremely small/isolated districts separately and that ECS already has experience and previous research about how best to handle their needs.
- Speaker Bedke, Senator Den Hartog, and Representative VanOrden all expressed support for hearing from these districts separately.
- Mr. Koehler noted that almost half the kids in Idaho live near or around Boise, with some larger districts spread out around mostly smaller districts throughout the rest of the state. He also noted that transportation is a large part of the budget.
- Mr. Griffith noted that charter schools will also be included in the groups, as requested previously by Co-chair Horman, and as noted by Senator Den Hartog.

The committee agreed to have ECS provide an e-mail address for people to submit comments, as well as an online survey. Mr. Griffith will present all findings from the meetings, survey results and e-mail comments in advance of the next meeting to help construct the actual formula.

Senator Bayer asked about the hold-harmless aspect of the formula. Mr. Griffith explained that the new dollar amount and the amount received under the previous formula will be presented to help the committee decide what hold harmless will look like. He noted that there will be winners and losers regardless, especially because they aren't running the model with any additional dollars. ECS will make many options available to the committee to help mediate any drastic changes under the new formula.

PRESENTATION:

ACCOUNTABILITY ACROSS THE STATES

PRESENTERS:

Julie Woods, Education Commission of the States

Ms. Woods started her presentation by describing that accountability can include multiple systems run for multiple purposes for multiple users.

- A state can run multiple systems at a time at different levels.
- Balancing the simplicity of a system vs. representing the complexity of an accountability system is a challenge.
- States are moving away from accreditation, because accountability systems accomplish the same purposes, focus more on outputs (graduation rates, reading scores, etc.), and provide more nuanced data.

Measuring Outcomes:

- Common accountability measures among states include achievement, growth, high school graduation rate, English language proficiency and progress, school quality, and student success.
- Factors measured in the indicator in Idaho include high school students enrolled in pre-algebra and Algebra 1, parent communication, and college and career readiness.
- Most states use one of the five most common rating systems (A-F, descriptive, index, 1-5 stars, etc.).

Transparency - There is new federal funding reporting requirement for per-pupil spending in each school and district (including teacher salaries) starting in the 2018-2019 school year.

Ms. Woods discussed the policy pathways to connect money and school performance:

1. Support low-performing schools by diagnosing needs, creating a plan, and monitoring by the state or district.
2. Reward high-performing schools with teacher bonuses or new equipment, or flexibility in the form of waivers from state or local governance policies.
 - Arkansas, Alabama, and Arizona have reward systems. Arizona's system was based on raw test scores, but wealthy areas did the best and few at-risk students were rewarded with that model.
 - Tennessee and North Dakota offer flexibility to high-performing districts - they can apply for a waiver from certain laws by making a case for how it will create positive outcomes.
3. Engage local control by requiring district plans (used in California and Maryland) or local councils (used in Colorado and Massachusetts), though it's not clear what the ramifications are of requiring these in practice.

Connecting State Accountability and School Funding Formulas

- Lots of options, but no one solution.
- Most states are moving to CA and MD systems - reward high-performing schools, require districts to submit plans, and design the formula around the accountability system.

Massachusetts included its accountability system in the funding formula in the early 90s and received positive results, especially for at-risk groups.

- This complex model is unique to the state, but they've seen great results.
- Mr. Griffith noted that ECS can look into linking Idaho's accountability and funding formulas, but modeling the Massachusetts system is completely different from any other state or system, and outside the scope of the ECS contract.

**COMMITTEE
DISCUSSION:**

Senator Ward-Engelking voiced a concern about using test scores to determine high-performing schools, instead of rewarding growth. Mr. Griffith said that states have had a problem with this, but the programs using growth typically haven't been sustainable. He noted that most reward programs are not typically part of the funding formula itself.

The committee discussed the Massachusetts system, noting that it is typically the national leader in test scores and other metrics, combining its systems by allocating funds first, rather than basing allocations on test results after the fact; they also support preschool and fund education at greater levels than Idaho. Mr. Griffith noted that he hears from many states that believe they are too unlike Massachusetts to effectively compare.

The committee discussed whether they would like to connect Idaho's accountability system with a new school funding formula.

- Dr. Clark noted Idaho's new differentiated accountability system, which might connect to the funding formula, and clarified that in the Massachusetts model, a district is only held accountable for spending if it isn't meeting state standards.
- Co-chair Winder noted that the committee members had not talked about directly linking the two together. Though it wasn't their original intent to create a Massachusetts model, they would be interested in exploring potential linkages.
- Senator Den Hartog and Representative McCrostie expressed support for connecting the two systems by incentivizing high-performing schools, perhaps through flexibility, while also providing extra support to low-performing schools focusing on growth.

Mr. Griffith noted the first step to linking the two is to have schools submit education agreements, and Dr. Clark noted that she would like high-performing schools to be recognized for both growth and performance.

FUTURE MEETINGS:

Meeting #2 - Thursday, July 19 (1 full day) - ECS will report back all its findings and recommendations, and the committee will start making decisions about what it wants in the funding formula.

Meeting #3 - Monday, August 27 (half day) - Preliminary formula presented to the committee.

Meeting #4 - Monday, September 24 (half day).

ADJOURNMENT:

The meeting adjourned at 11:35 A.M.