

UPDATE ON THE IDAHO SCHOOL FUNDING STUDY

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EDUCATION COMMISSION
OF THE STATES

Your education policy team.



Agenda

Public Input

Designing a New Funding Formula

Structure of a New Formula

Public Input

- Four Avenues
 - ◆ Funding Formula Panels
 - ◆ Public Input Meetings
 - ◆ Online Feedback
 - ◆ In-Person Meetings

Funding Formula Panels

- Contacted every school district and charter school in the state
- Meetings comprised:
 - ◆ Teachers
 - ◆ Education specialists
 - ◆ Technology directors
 - ◆ Principals
 - ◆ School board members
 - ◆ School business officials
 - ◆ Superintendents
 - ◆ Charter school administrators

Region	Location	Date
Region 1	Coeur d'Alene	June 19, 2018
Region 2	Lewiston	June 20, 2018
Region 3	Boise	June 6-7, 2018
Region 4	Twin Falls	June 13, 2018
Region 5	Fort Hall	June 11, 2018
Region 6	Fort Hall	June 12, 2018
Virtual Charters	Boise	June 8, 2018
Elementary Districts	Virtual Meeting	June 22, 2018

Funding Formula Panels

■ By the Numbers

- ◆ Funding Formula Panels: **14**
- ◆ Total participants: **110**
 - ▶ Superintendents: **40**
 - ▶ School business officials: **29**
 - ▶ Teachers: **17**
 - ▶ Principals: **10**
 - ▶ School board members: **9**
 - ▶ Other (Federal Programs Administrator, CTE Administrator, Special Education Administrator): **5**

Public Input Meetings

- Open meeting where members of the public could share questions, concerns and apprehensions about school funding reform
- These meetings lasted for two hours and were structured as open conversations.

Region	Location	Date
Region 1	Coeur d'Alene	June 19, 2018
Region 2	Lewiston	June 20, 2018
Region 3	Boise	June 6-7, 2018
Region 4	Twin Falls	June 13, 2018
Region 5	Fort Hall	June 11, 2018
Region 6	Idaho Falls	June 12, 2018

Public Input Meetings

▪ Who attended?

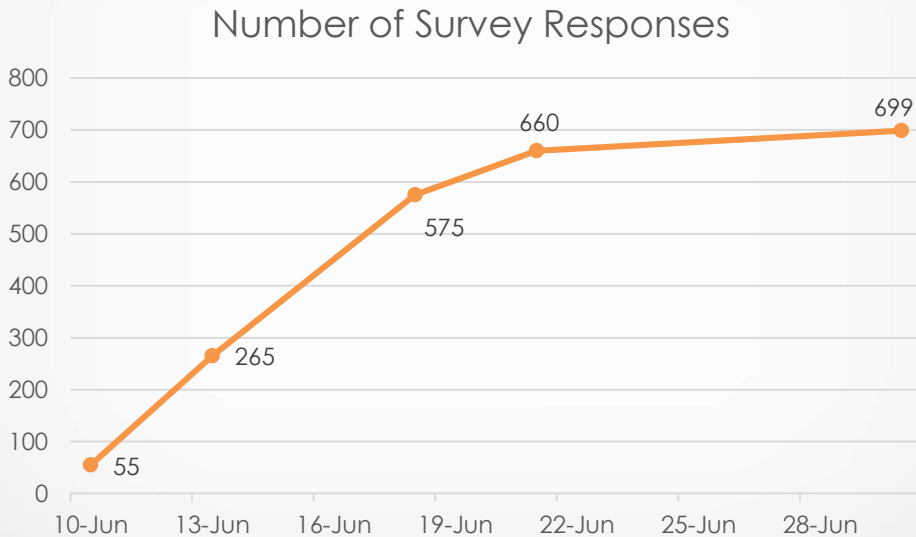
- ◆ Teachers and other district employees
- ◆ Concerned parents and taxpayers
- ◆ Committee members, including Sen. Lori Den Hartog (Region 3), Rep. Julie VanOrden (Region 5), Rep. Wendy Horman and Sen. Dean Mortimer (Region 6)
- ◆ Other members of the legislature, including Rep. Paul Amador, Rep. Lance Clow, Rep. Tom Dayley, Rep. Ryan Kerby, and Sen. Mary Souza, among others
- ◆ Sherri Ybarra - Superintendent of Public Instruction
- ◆ Representatives from the state Department of Education, the Idaho School Boards Association and the Idaho Education Association

Public Input Meeting Attendance

Region 1:	93
Region 3:	70
Region 5:	55
Region 6:	49
Region 4:	47
Region 2:	26

Online Feedback

- Survey: **699 responses**



- Email Account: **10 emails**

Survey Results

Which term best describes you?

Answer Choices	Responses	
Educator (teacher, librarian or other)	48.2%	334
Parent/guardian	22.5%	156
Concerned citizen/taxpayer	9.1%	63
District administrator (superintendent, assistant superintendent or other)	7.7%	53
School administrator (principal, vice principal or other)	4.5%	31
Other school employee	3.6%	25
School business official	2.9%	20
School board member	1.6%	11
	Answered	693
	Skipped	6

Survey Results

■ Top 5 responding school districts:

- ◆ **Kuna Joint** (187 responses)
- ◆ **Caldwell** (27 responses)
- ◆ **Teton County** (22 responses)
- ◆ **Blackfoot** (19 responses)
- ◆ **Coeur d'Alene** (17 responses)

Survey Results

■ Key takeaways:

- ◆ **95 percent** of survey respondents do not think the funding formula works well for Idaho.
- ◆ **75 percent** of survey respondents do not think the current funding formula provides enough flexibility to districts.

Survey Results

Percentage of respondents who think that it is important or very important that the state provide additional funding for the following student populations:

Student Population	Percentage of Respondents
Special Education	88%
Low-Income	86%
Struggling to Meet State Standards	82%
English-Language Learners	70%
Gifted and Talented	70%

Survey Results: Open-Ended Questions

- **What do you feel are the biggest issues with Idaho's current school funding system?**
 - ◆ Inequalities in the formula
 - ◆ Lack of flexibility
 - ◆ Problems with the career ladder
 - ◆ Inadequate funding generally
- **What issues would you like to see addressed in a new school funding formula?**
 - ◆ More funding for facilities
 - ◆ Equity for rural districts
 - ◆ Continuation of college and career readiness programs

Public Email Address

◆ Responses mentioned:

- ▶ Equity in funding for all school districts.
- ▶ Increased funding for students who are struggling academically.
- ▶ Increased funding for students who are identified as at-risk or low-income, require special education or are English-language learners.
- ▶ Teacher recruitment and retainment in smaller, rural and isolated school districts.
- ▶ Student counts: ADA vs. ADM .
- ▶ Increased salary base allocations for classified staff.
- ▶ An outdated funding formula.

In-Person Meetings

- **ECS staff met with individuals from the following organizations:**
 - ◆ Idaho Association of School Administrators.
 - ◆ Idaho Association of School Business Officials.
 - ◆ Idaho Business for Education.
 - ◆ Idaho Charter School Network.
 - ◆ Idaho Department of Education.
 - ◆ Idaho Education Association.
 - ◆ Idaho School Boards Association.
 - ◆ Idaho State Board of Education.
 - ◆ Office of the Governor of Idaho.

We would like to thank Idaho legislative staff and the Idaho Department of Education for their ongoing support.

Agenda

Public Input

Designing a New Funding Formula

Structure of a New Formula

Building a New School Funding Formula

- Today's work will include:
 - ◆ Determining what funding will be in/out of new formula.
 - ◆ The general structure of the new formula.
- At the next meeting, we will:
 - ◆ Review decisions made today.
 - ◆ Make detailed decisions about the new formula.

Notes About Modeling

- Any model will be based off of the most recent available data (FY 2018-19).
- The final model will have projections for future school years, based on current state funding patterns.
- The model will evolve between now and the completion of the study (late October).
- We will be making a set of recommendations, but all decisions will be made by the committee.

Designing a New Funding Formula

■ Recommendations

- ◆ 14 line items be excluded from the new formula.
- ◆ 8 line items be included.
- ◆ 12 line items be considered for inclusion.

Recommended for Exclusion

We recommend that **14 line items** — that account for **\$173.2 million** (9.2 percent) in funding — **be excluded** from the new formula.

	FY 2018-19 Funding	Percentage of Total State Ed. Funding
Transportation and School Facilities		
Transportation	\$73,010,000	3.9%
Bond Levy Equalization Support Program	\$23,184,500	1.2%
School Facilities Funding (Lottery)	\$18,562,500	1.0%
Charter School Facilities	\$7,893,700	0.4%
School Facilities Maintenance Match	\$3,905,000	0.2%
Programs Outside of Traditional Schools/Districts		
Idaho Digital Learning Academy	\$9,788,500	0.5%
Idaho Ed. Services for the Deaf & Blind (Campus)	\$7,023,000	0.4%
Idaho Ed. Services for the Deaf & Blind (Outreach)	\$3,956,400	0.2%
Online Class Portal	\$150,000	0.01%
Unique Programs		
Exceptional Contracts & Tuition Equivalents	\$5,390,900	0.3%
Idaho Safe & Drug Free Schools (Lottery & Cig. Tax)	\$4,024,900	0.2%
Border Contracts	\$1,200,000	0.1%
Teacher Incentive Awards (National Board Cert)	\$90,000	0.005%
Other Education Programs		
Advanced Opportunities	\$15,000,000	0.8%
Total	\$173,179,400	9.2%

Highly Recommended for Inclusion

We recommend that **8 line items** — that account for **\$1.6 billion** (85.6 percent) in funding — **be included** in the new formula.

	FY 2018-19 Funding	Percentage of Total State Ed. Funding
Career Ladder – Salaries	\$761,566,200	40.6%
Salary-Based Apportionments (Admin., Classified)	\$203,518,300	10.8%
Career Ladder – Benefits Obligation	\$142,869,800	7.6%
Employer’s Benefit Obligation (Admin., Classified)	\$38,180,000	2.0%
Professional Development	\$21,550,000	1.1%
College and Career Advisors and Student Mentors	\$9,000,000	0.5%
IT Staffing	\$8,000,000	0.4%
Total Staffing Costs	\$1,184,684,300	63.2%
Net State Support	\$421,530,200	22.5%
Total	\$1,606,214,500	85.6%

Consider for Inclusion

We recommend the following **12 line items** — that account for **\$97.1 million** (5.2 percent) in funding — **be considered** for inclusion in the state's new funding formula.

	FY 2018-19 Funding	Percentage of Total State Ed. Funding
Technology	\$36,500,000	1.9%
Leadership Premiums	\$17,773,600	0.9%
Literacy Intervention	\$13,156,500	0.7%
Content and Curriculum	\$6,350,000	0.3%
Math and Science Requirements	\$5,930,000	0.3%
Remediation/Waiver (Non-Title I)	\$5,456,300	0.3%
Limited English Proficient	\$4,870,000	0.3%
Student Achievement Assessments	\$3,100,000	0.2%
Math Initiative	\$1,817,800	0.1%
Mastery Based System	\$1,400,000	0.1%
Continuous Improvement Plans & Training	\$652,000	0.0%
Innovation Schools	\$100,000	0.01%
Total	\$97,106,200	5.2%

Master Educator Premium

■ **Conflicting feedback from districts**

- ◆ *“This program should continue to operate, no matter what new formula is adopted.”*
- ◆ *“Funding for the Master Education Premium should be folded into the new formula.”*

■ **Level of participation**

- ◆ *“None of our teachers are filling out their portfolios.”*
- ◆ *“All of our qualified teachers have been putting together portfolios in anticipation of receiving this bonus.”*

Master Educator Premium

- Because of the conflicting input that we received during our focus groups and public meetings, we have no specific recommendation for funding for the Master Educator Premium.

Agenda

Public Input

Designing a New Funding Formula

Structure of a New Formula

Student Counts

- H.C.R. 49 states, *“Transition the Idaho public school funding formula from counting students based on average daily attendance to counting students based on enrollment.”*
- **Recommendation:** Use enrollment from each school/district in the new funding formula.

Grade Weighting

- Idaho's current formula provides additional funding for some schools for grades K-3 and for high school grades.
- Current research shows that K-3 and high school programs require additional funding.
- **Recommendation:** Provide additional weight to both early grades and high school programs.

High-Need Student Populations

- At-Risk Students.
- English Language Learners.
- Special Education.
- Gifted and Talented.

At-Risk Students

- The state's current at-risk funding program requires districts to create “alternative schools” to receive additional funding.
- We heard from participants at both our focus groups and public meetings that the current system does not meet the needs of students.
- **Recommendation:** Include a weight for at-risk students in the new formula.

At-Risk Students

- A majority of states use the student's eligibility for the National School Lunch Program to determine at-risk status. The second most common identification method is unsatisfactory academic progress.
- Additional weights range from 2.5 percent in North Dakota to 97 percent in Maryland.
- **Recommendation:** Make use of free/reduced-price lunch numbers, and use a placeholder weight.

English-Language Learners

- According to public input, the current funding for English-language learners is insufficient to meet the demands of this student population.
- **Recommendation:** Include a weight for English-language learners.
- Across states, weights range from 9.6 percent in Kentucky to 99 percent in Maryland.

Students Who Require Special Education

- The most common high-need student population discussed in public input meetings was special education students.
- Because the current system funds students based on an assumed percentage, it does not reflect actual differences in student demographics between districts and schools.
- **Recommendation:** Use multiple student weights to reflect categories of services. For example, states might have different weights for students with mild, moderate or severe disabilities.

Gifted and Talented Students

- Many districts shared that the Advanced Opportunities program acts as gifted and talented programming for high school students.
- **Recommendations:**
 - ◆ Provide no additional funding for high school students, as long as the Advanced Opportunities program remains.
 - ◆ Possibly provide additional funding for primary students, but cap eligibility.

Small and Isolated Schools

- Small schools/districts have a higher cost of delivering services than larger districts.
- The current formula provides additional funding for elementary schools with fewer than 300 students and high schools with fewer than 750 students.
- **Recommendations:**
 - ◆ Provide an adjustment for small schools similar to the current adjustment.
 - ◆ Provide a minimum level of funding for very small schools.

The Higher Cost of Conducting Business in Some Districts

- Many districts stated that they face competition in hiring with larger districts in the state or districts in other states (specifically, Washington and Wyoming).
- **Potential solutions:**
 - ◆ Regional cost adjustments.
 - ◆ Cost adjustments for district location.
 - ◆ Adjustments for a district's relative wealth.
- **These solutions could:**
 - ◆ Assist some districts to better compete for staff.
 - ◆ Have some unintended consequences.

Teacher Pay

- **Concern:** Districts could start to push out more experienced/higher-cost teachers and replace them with less experienced/lower-cost teachers.
- **Potential solution:** Adjust funding based on a district's average level of experience.
- **Unintended consequence:** Would direct additional funding to districts with a high level of average experience, which will often be schools or districts that are already high-spending.

Teacher Pay

- **Concern:** If a new funding system provides complete freedom in funding expenditures, districts might be pressured to increase teacher salaries at the expense of other educational costs.
- **Potential solution:** Mandate that certain funds be set aside for certain activities, or cap how much funding could be expended on certain line items — such as teacher compensation.
- **Unintended consequence:** Funding mandates tend to grow over time and can create a funding system much like the one the state currently has.

Front-Loading State Funding

- The state currently provides larger payments at the beginning of the school year.
- Most education leaders expressed their support for the current front-loaded system.
- Representatives from virtual charters said they would rather have funding distributed more evenly during the year.

Hold Harmless

- The Public School Funding Formula Interim Committee committed to holding districts and charters “... *financially harmless in totality of state funds during the transition period.*”
- **Recommendation:** To allow schools/districts to best cope with a transition to a new funding formula, create a hold harmless period of three to five years.

Next Steps

- **Between now and next meeting**
 - ◆ Create first draft of the funding model.
- **Early September meeting**
 - ◆ Review first draft of the funding model.
 - ◆ Refine the model.
- **Late September meeting**
 - ◆ Gain input from state organizations.
 - ◆ Make final adjustments to the model.
- **October meeting**
 - ◆ Presentation of final model/report.