

MINUTES
Approved by the Committee
Public School Funding Formula Committee
Wednesday, July 18, 2018
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 (participated via phone), 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: Representative Ryan Kerby, District 9; Representative Lance Clow, District 24; Tim Hill, State Department of Education; Marilyn Whitney, Office of the Governor; Gideon Tolman, Division of Financial Management; Tamara Baysinger, Idaho Charter School Commission; Mike Griffith and Emily Parker, Education Commission of the States; Julie Oberle, State Department of Education; Teresa Fabricius, Fruitland School District; Chris Born, Salmon School District; Mary Ann Ranells and Jonathan Gillen, West Ada School District; Lisa Hals, Lake Pend Oreille School District; Will Goodman, Idaho Education Technology Association; Rod Gramer, Idaho Business for Education; Kim Bekkedahl, Malu Mullholland, and Shelley Hopkins, Kuna School District; Rob Winslow, Idaho Association of School Administrators; Luke Schroeder, Kimberly School District; GwenCarol Holmes, Blaine County School District; Dennis Kachelmier and Shawn Tiegs; Nezperce School District; Peggy Hoy, Twin Falls School District; Kate Haas, Kestrel West; Quinn Perry and Karen Echeverria, Idaho School Boards Association; Terry Ryan and Marc Carignan, Bluum; Fred Birnbaum, Idaho Freedom Foundation; Suzanne Budge, SBS Associates, LLC; Clark Corbin, Idaho Ed News; Kathie Alison, iSucceed Virtual High School; Don Coberly, Boise School District; Cynthia Gibson, Idaho Walk Bike Alliance; Erin Bennett, American Heart Association/American Stroke Association; Cindy Wilson; Will Hussman; and Branden Durst. 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 9:02 A.M.

WELCOME AND INTRODUCTIONS:

Co-chair Winder welcomed those in attendance. Co-chair Horman recognized Rep. Clow, Rep. Daly, and Rep. Kerby in the audience and thanked those who have participated in the committee's work. **Senator Mortimer moved to approve the minutes from the April 17 meeting, the motion was seconded, and the minutes were approved unanimously by a voice vote.**

PRESENTATION:

PRESENTATION OF ECS'S SUMMARY OF PUBLIC INPUT

PRESENTERS:

Emily Parker, Education Commission of the States

Ms. Parker described how, during the month of June, ECS traveled around the state to talk to people who use the formula to find out what works and what doesn't, what people want to see stay in the formula, and what they want to see new in the formula.

Ms. Parker said ECS collected information through:

1. Funding Formula Panels - invitation-only meetings with professionals who work in districts.
2. Public Input Meetings - town hall style meetings in each of the six education regions.
3. Online Feedback - online survey and an email account.
4. In-Person Meetings - held with as many groups in the state as possible.

Funding Formula Panels

Ms. Parker explained that to assemble the panels, ECS contacted every school district and charter school in the state asking for a recommendation for someone to represent each district on the panel. She said that ECS selected people for panels from this list so that meetings would include teachers, education specialists, technology directors, principals, school board members, school business officials, superintendents, and charter school administrators. The meetings were held in all six education regions, with additional meetings held for region 3 districts with more than 10,000 students (Boise, Nampa, West Ada), a meeting for virtual charters, and a virtual meeting for small elementary districts. Ms. Parker noted that the goal of the meetings wasn't to be exclusionary, but to have an open conversation with those who know what's happening at the district level and who could openly share their experiences of what's working and what's not working with the funding formula. Ms. Parker provided the total participation at the 14 Funding Formula Panels: 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

Ms. Parker explained that these were evening town hall style public meetings held following the panels in all six regions, where members of the public could share questions, concerns, and apprehensions about school funding reform. She said the meetings lasted for two hours and were structured as open conversations. Ms. Parker noted that ECS was happy with the turnout and conversations at all the meetings.

Ms. Parker said that the following groups attended the meetings:

- teachers and other district employees;
- concerned parents and taxpayers;
- committee members, including Sen. Den Hartog (Region 3), Rep. VanOrden (Region 5), Rep. Horman and Sen. Mortimer (Region 6);
- Other legislators including Rep. Amador, Rep. Clow, Rep. Daly, Rep. Kerby, and Sen. Souza, among others;
- Superintendent Sherri Ybarra;
- Representatives from the state Department of Education, the Idaho School Boards Association and the Idaho Education Association.

Ms. Parker provided the total attendance for each Public Input Meeting: Region 1 - 93; Region 3 - 70; Region 5 - 55; Region 6 - 49; Region 4 - 47; Region 2 - 26.

Online Survey Results

Ms. Parker noted that almost half of the 699 total survey responses came from teachers. ECS also received responses from parents, administrators, school business officials, and others well-versed with the system. Ms. Parker said that the top 5 responding school districts were: Kuna Joint (187 responses); Caldwell (27 responses); Teton County (22 responses); Blackfoot (19 responses); and Coeur d'Alene (17 responses). She noted that the top responding school districts were not in the top 5 largest districts in the state.

Ms. Parker noted that 95% of survey respondents do not think the funding formula works well for Idaho and that 75% of survey respondents do not think the current funding formula provides enough flexibility to districts.

Ms. Parker described the percentage of respondents who think that it is important or very important that the state provide additional funding for the following student populations:

- Special Education – 88%
- Low-income – 86%
- Struggling to meet state standards – 82%
- English Language Learners – 70%
- Gifted and Talented – 70%

She observed that a seemingly lower number than expected for English Language Learners could be due to the uneven distribution of English Language Learners across the state.

Ms. Parker said that when asked about the biggest issues in the current funding system, most respondents addressed the inequalities in the formula, a lack of flexibility, problems with the career ladder, and inadequate funding generally. She said that when asked about issues people would like to see addressed in a new school funding formula, most respondents addressed more funding for facilities, equity for rural districts, and the continuation of college and career readiness programs. Ms. Parker described some of the themes in the email responses

including: 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, those who 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; and an outdated funding formula.

In-Person Meetings

Ms. Parker said that ECS staff met with individuals from the following organizations and will continue to follow up with them as they develop the model: the Idaho Association of School Administrators, Idaho Association of School Business Officials, Idaho Business for Education, Idaho Charter School Network, Department of Education, Idaho Education Association, Idaho School Boards Association, Idaho State Board of Education, and the Office of the Governor of Idaho.

COMMITTEE DISCUSSION:

Speaker Bedke inquired whether ECS was satisfied with the amount of participation they received and amount of data gathered. Ms. Parker and Mr. Griffith both stated they were pleased with the amount of feedback they received.

Co-chair Horman noted that she had the opportunity to meet with representatives from the stakeholder organizations, who said they were grateful for the opportunity to be involved and to have a voice in the process.

Senator Bayer asked Mr. Griffith to elaborate on the variety of input received. Mr. Griffith said that one of the challenges ECS faced was explaining that, in a new per-student funding formula, line items would be eliminated and districts would instead be given a lump sum to spend as they wished.

PRESENTATION:

DISCUSSION AND DECISIONS ABOUT THE STRUCTURE OF THE FIRST DRAFT OF A NEW SCHOOL FUNDING FORMULA

PRESENTERS:

Mike Griffith and Emily Parker, Education Commission of the States

COMMITTEE DISCUSSION:

Mr. Griffith explained that:

- Any model will be based off of the most recent available data (FY 2018-19), even though the model will not go into effect for a few years.
- 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).
- ECS will be making a set of recommendations, but all decisions will be made by the committee.

Structure of the New Formula

Student Counts

ECS recommended that the committee use enrollment from each school/district in the new formula, pursuant to HCR49.

Dr. Clark and Senator Mortimer voiced support for using enrollment.

Co-chair Winder and Speaker Bedke both noted that any cost increase associated with switching to enrollment from average daily attendance would likely need to be explained to the entire legislature before it approves more money for enrollment. Mr. Griffith said they can model with many different numbers and it will be easy for anyone to see how the change to enrollment will impact an individual school or district.

Grade Weighting

ECS recommended that the committee provide additional weight to both early grades and high school programs.

Mr. Griffith said that most states provide some form of grade weighting, the norm being to provide additional weights for K-3 (because often these have smaller class sizes) and high school (because there tends to be a higher cost for delivering services due to a wide variety of courses being offered). He noted that the formula currently provides additional weights to these grades, which ECS recommended retaining.

Mr. Griffith said this recommendation is consistent with feedback from the public, especially because many of the concerns they heard were about how eliminating the weights for some grades would disproportionately impact smaller schools. The committee also discussed grade ranges and divisors. Senator Mortimer and Speaker Bedke both voiced support for including the recommendation in the preliminary funding formula draft.

High-Needs Population - At-risk Students

Ms. Parker explained that Idaho has a unique method of funding at-risk students, which incentivizes the funding of alternative schools, and a complex definition of at-risk that only applies to students in grades 6-12. Ms. Parker said that ECS heard from participants in both focus groups and public meetings that the current system does not meet the needs of students.

ECS recommended including a weight for at-risk students using free/reduced price lunch numbers as an indicator weight. Ms. Parker noted that a majority of states use free/reduced price lunch as a proxy for at-risk status because it tracks closely with unsatisfactory academic progress.

Mr. Hill noted that, in the current formula, "at-risk" is defined in administrative rule and does not address poverty, but rather a variety of factors. Representative McCrostie expressed concern that there are two separate issues and types of stigmatization - one for students in alternative schools and another for students in low-income schools or those participating in free/reduced lunch. He stated that he thinks they should be addressed separately, especially because the administrative rule defines at-risk according to factors other than the free/reduced price lunch metric. Mr. Griffith said that they discussed at-risk funding quite a lot in the public input sessions, where ECS heard from some people that they believe there have to be alternative schools by law, when in fact under Title I and in the new system that's not necessarily true. He said that research shows free/reduced lunch is a good proxy marker and data that is easily available, but some states are moving away from that figure as a proxy.

Senator Den Hartog, Senator Ward-Engelking and Senator Mortimer

voiced support for including a weight for at-risk students using already available data. Dr. Clark agreed that the formula does incentivize forming alternative schools, meaning there's little money for other schools to create programs for students outside of alternative schools currently. Co-chair Winder expressed concern that some kids might be stigmatized due to socioeconomic status. Mr. Griffith said that most states don't typically specify that a student is at-risk because of economic status. Co-chair Horman noted that she believes the current formula drives labeling with the creation of separate alternative schools. She believes that the new formula might potentially reduce stigma associated with poverty. Mr. Griffith said that research does show that at-risk kids shouldn't be stigmatized or separated from general education kids. He said that the other states that provide at-risk funding do so with the idea that it will be provided in the traditional classroom, rather than a separate school.

The committee discussed how other states handle at-risk students. Co-chair Winder stated that the consensus was to move forward as recommended, weighting at-risk students using free/reduced price lunch as a placeholder for the weight, with more discussion at the September meeting about the definition of "at-risk." Representative McCrostie said he would appreciate the attention given to the subject.

High-Needs Population - English Language Learners

Ms. Parker explained that according to public input, the current funding for English language learners is insufficient to meet the needs of this student population and that there is a range of weights used across states. ECS recommended including a weight for English language learners.

Co-chair Winder approved ECS moving forward with the recommendation.

High-Needs Population - Special Education Students

Ms. Parker noted that this high-need student population was the one most frequently discussed in the public input meetings and in the survey. She noted that there seems to be a consensus across the state that the current funding mechanism does not meet the needs of special education students. Ms. Parker said that the flat percentage amount currently in place across the state can lead to overfunding and underfunding, depending on the school. She noted that because the current system funds students based on an assumed percentage, it does not reflect actual differences in student demographics between districts and schools.

ECS recommended using multiple student weights to reflect categories of services, such as mild, moderate, or severe, on a per-pupil basis rather than by census-based weighting. Ms. Parker noted the large range of services needed and the wide cost difference for those varying services. She believes that separate tiers would better reflect actual costs.

Dr. Clark voiced support for the recommendation. Co-chair Horman noted that the School for the Deaf and the Blind is public, but that under the new formula, it's possible that some budgets could become separate agency budgets.

Co-chair Winder noted the committee's consensus on using three tiers as weights for special education students.

Gifted and Talented

Ms. Parker said that many states provide additional funding for gifted and talented students, though ECS heard in the feedback that this was provided for at the high school level through the Advanced Opportunities program. As long as the program continues to exist, ECS recommended providing no additional funding for high school students, and to possibly provide additional funding for primary students, with a cap on eligibility. The committee discussed the definition of gifted and talented and which grades would be included for additional funding. Co-chair Winder noted the consensus was to maintain the Advanced Opportunity money for grades 7-12, and provide capped funds for grades K-6.

Small and Isolated Districts

Mr. Griffith noted that small schools/districts have a higher cost of delivering services than larger districts and that the current formula provides additional funding for elementary schools with fewer than 300 students and high schools with fewer than 750 students.

ECS recommends providing an adjustment for small schools similar to the current adjustment (at 300 and 750 students) and providing a minimum level of funding for very small schools. ECS suggested using a sloping weight for small schools, with smaller schools having a higher weight. They also suggested providing a minimum level of funding for very small districts to cover the bare minimum costs of running a school. Mr. Griffith suggested keeping the definitions of schools in place to prevent districts from creating many small schools. ECS reported hearing from the Prairie School District, which has three kids, that they have difficulties simply running the school district under the current formula, but that a flat dollar amount would be easier and would guarantee funding for costs.

Mr. Hill said that for FY 2018, Prairie Elementary School received approximately \$52,000 per student for three students total. He said that there are small district staff allowances and divisors, in statute, that benefit small and rural schools, as well as the base amounts allocated in line items for all schools. Because the minimums for these special programs are established in intent language in appropriations bills, Mr. Hill believes these numbers would likely decrease if they were instead folded into a per-student model. Mr. Griffith said that because funding is mandated into categories, small districts like Prairie have the money, but not the freedom to spend it the way they need to. By setting up minimums in a per-pupil amount, Mr. Griffith thinks they'll have the freedom to spend what he believes would likely be a similar dollar amount on the things the school needs.

Speaker Bedke asked about districts with 200-400 students, which would include a large number of schools. He believes very small schools like Prairie are outliers that can be addressed with a minimum, but questioned whether this would work for most schools. Mr. Griffith said that ECS will plot a similar slope to what they currently have but in a per-student amount, and that the slope will move up as schools get smaller on a per-pupil basis.

Co-chair Winder said the consensus from the committee was to move forward with that modeling.

Higher Costs of Conducting Business in Some Districts

ECS heard that many districts face competition in hiring with larger districts in the state or districts in other states (specifically, Washington and Wyoming). Mr. Griffith said potential solutions could be regional cost adjustments, cost adjustments for district location, or adjustments for a district's relative wealth, but that these solutions might end up assisting some districts to better compete for staff and have other unintended consequences. ECS does not recommend a regional cost adjustment because of the unintended consequences (like benefitting wealthier districts) and notes that location adjustments are difficult in Idaho because of its unique shape.

Senator Mortimer asked whether there could be a flexible "other" category for specialized needs. Mr. Griffith said there could be and also noted that the legislature could fund specialized categories for certain districts outside the formula, but he cautioned against doing that too much.

The committee discussed local funding in regards to facilities, maintenance, and transportation funding, even though it's peripheral to ECS's work. Mr. Griffith said this was a huge part of their discussions, especially in rural areas without a large tax base or ability to pass additional supplemental levies. ECS heard that districts have varying levels of difficulty raising capital funding locally with a 2/3 majority. Co-chair Winder and Speaker Bedke agreed that they believe it would be beneficial to acknowledge capital costs, though it's not part of the committee's work. Mr. Griffith said that they will not include facilities adjustments in the funding formula.

Teacher Pay

Mr. Griffith said ECS heard concerns about how a change in the formula could negatively impact teacher pay if the career ladder is taken away, by pushing out senior teachers and replacing them with less experienced teachers. In states that currently have a per-student based funding model, he said ECS has not seen this happen, but they understand why people are concerned. Mr. Griffith said a potential solution is to adjust funding based on a district's average level of experience, but an unintended consequence of this would be to direct additional funding to districts with a high level of average experience, which will often be schools or districts that are already high-spending.

Since there's a lot of teacher movement in Idaho, ECS views the unintended consequence of this outweighing the solution and has not included an experience adjustment in the formula for these reasons. Senator Ward-Engelking noted the pay difference in border districts and said she believes that an experience factor should be compensated in some way. Mr. Griffith said that under a new formula, border districts might have greater freedom to potentially pay teachers a more competitive wage, while non-border districts could use those funds for something else.

Co-chair Winder said he believes the career ladder is one of the biggest issues the committee will have to address. Mr. Hill observed that if the new formula keeps some attributes of the career ladder then it should be retained. Co-chair Horman noted that whether or not the career

ladder numbers are in statute, the policy will still be in statute. Dr. Clark said that while she thinks that the career ladder has helped attract young teachers, the bigger issue now is retaining teachers; Mr. Griffith noted that maybe by creating more freedom, some districts will pay more. Mr. Griffith also observed that although the career ladder wasn't intended to be a salary schedule, that's what it has become. Mr. Griffith suggested that Idaho might consider creating a minimum statewide salary schedule so all teachers in Idaho earn a living wage. Senator Ward-Engelking noted that the ladder wasn't adopted in the format the K-12 task force recommended and that this has been to the detriment of experienced teachers. Co-chair Winder asked whether switching to enrollment might free up funds for districts to pay experienced teachers more. Mr. Griffith said the model can be written as revenue neutral, or at a different cost, or both. Ms. Whitney noted that the current statute is written to match the current formula and she thinks it would have to be rewritten to adjust to a new formula, especially to retain a focus on student outcomes.

Mr. Griffith noted that ECS heard concerns that spending on teacher pay could take up either too much or too little of a new formula, but ECS has not seen this happen in other states. ECS recommended showing districts best practices, not mandating amounts spent on teachers. Co-chair Winder said that he believes the legislature has developed a considerable amount of goodwill in regard to the career ladder, which it doesn't want to lose in giving districts more flexibility.

Front-Loading State Funding

Mr. Griffith stated that most education leaders expressed support for the current front-loaded system, but representatives from virtual charters said they would rather have funding distributed more evenly during the year. ECS recommended maintaining front-loading payments. Co-chair Winder, Co-chair Horman, and Dr. Clark voiced concern about the interest rates associated with front-loading. Mr. Hill agreed to look into the issue.

Hold Harmless

Mr. Griffith noted that HCR49 dictates that the Public School Funding Formula Interim Committee committed to holding districts and charters "...financially harmless in totality of state funds during the transition period." ECS recommends a 3-5 year hold harmless period, allowing schools/districts to best cope with a transition to a new funding formula. Senator Bayer expressed concern about potential outlier districts that might see a large change in funding. Mr. Griffith said that since Idaho doesn't have a large number of districts, there's a lesser chance of anomalies, but if there are any, ECS will highlight these discrepancies and try to find solutions at the September meeting. Co-chair Winder said consensus is to model based on a 3-year hold harmless period.

PRESENTATION:

DISCUSSION AND DECISIONS ABOUT WHAT TO INCLUDE IN THE FIRST DRAFT OF A NEW SCHOOL FUNDING FORMULA

PRESENTERS:
COMMITTEE
DISCUSSION:

Mike Griffith and Emily Parker, Education Commission of the States

Line Items Excluded

ECS recommended that 14 line items be excluded from the new formula: Transportation, Bond Levy Equalization Support Program, School Facilities Funding (Lottery), Charter School Facilities, School Facilities Maintenance Match, Idaho Digital Learning Academy, Idaho Ed. Services for the Deaf & Blind (Campus), Idaho Ed. Services for the Deaf & Blind (Outreach), Online Class Portal, Exceptional Contracts & Tuition Equivalents, Idaho Safe & Drug Free Schools (Lottery & Cig. Tax), Border Contracts, Teacher Incentive Awards (National Board Cert), and Advanced Opportunities. These 14 line items account for \$173.2 million (9.2%) in funding.

Mr. Griffith suggested maintaining Advanced Opportunities outside the traditional formula because it's working very well, but that most of these don't naturally fit into a traditional formula or school district operation. Mr. Griffith said that feedback was split on this topic. Speaker Bedke noted that each line item cut represents a hard-fought political battle, but that the policies will still be in place even though the line items will go away. Co-chair Horman asked why Idaho Safe and Drug Free Schools was recommended for exclusion. Mr. Griffith said that because it's a different funding source, there would be lots of work for just \$4 million in funding.

Co-chair Winder noted the consensus was that these line items will remain outside the formula. Co-chair Horman stated that some of these line items could become a separate budget apart from the public school budget.

Highly Recommended for Inclusion

ECS recommended that 8 line items be included from the new formula: Career Ladder – Salaries, Salary-Based Apportionments (Admin., Classified), Career Ladder – Benefits Obligation, Employer's Benefit Obligation (Admin., Classified), Professional Development, College and Career Advisors and Student Mentors, and IT Staffing. These line items account for \$1.6 billion (85.6%) in funding.

Mr. Griffith noted that ECS included the career ladder in the new formula because it is the largest single line item in the state and accounts for most of the budget. He said that if the career ladder was excluded, it would have to be run under the old formula, which would be very confusing.

The committee discussed the career ladder benefits obligation and health care. Mr. Headlee explained the employer benefits line item and how total health care costs are approximated. Mr. Hill expressed concern about losing the ability to calculate personnel costs in a per-student model since the budget request is based on the appropriation. Mr. Griffith noted that the decisions about benefits would be made at the district level from the amount given by the legislature; there would no longer be a separate funding stream for benefits since they're included in the student-based amount. Mr. Griffith said most states fund per pupil and they track expenditures in detail because of the federal mandate. Co-chair Horman said that money currently drives policy and staffing decisions, but in a new system, the needs of districts will drive the staffing and other decisions. She also noted that the

committee might be able to look at the work that the State Employee Group Insurance and Benefits Interim Committee is doing for guidance on the issue of health care for teachers. Co-chair Winder asked Mr. Hill and Mr. Headlee to address Mr. Hill's concerns to resolve any potential appropriations issues.

Ms. Whitney asked how professional development and student outcomes are measured in a per-pupil funding model. Mr. Griffith said it's a shift to narrative reports more than strict mandates, where districts collaborate with the State Department of Education to create a plan for each program in the district. Mr. Griffith recommended not having one-size-fits-all accountability agreements, but rather having individual agreements with each district. Senator Den Hartog and Co-chair Horman indicated support for this shift toward more flexibility and greater accountability for outcomes.

Senator Bayer noted that he believes it's important to consider changes in policy and culture when changing the funding dollars. Mr. Griffith said that research shows that changing the level of freedom in how districts spend money can make a big difference in the culture of districts.

Co-chair Winder noted there was consensus to move forward with the modeling as presented.

Consider for inclusion

ECS recommended the following 12 line items be considered for inclusion in the state's new funding formula: Technology, Leadership Premiums, Literacy Intervention, Content and Curriculum, Math and Science Requirements, Remediation/Waiver (Non-Title I), Limited English Proficient, Student Achievement Assessments, Math Initiative, Mastery Based System, Continuous Improvement Plans & Training, and Innovation Schools. These line items account for \$97.1 million (5.2%) in funding.

Mr. Griffith said ECS heard mixed feedback about these items and suggested excluding the Technology and Leadership Premiums line items. Ms. Whitney said she thinks there should be some mechanism for accountability and that she believes the statutes will need to be rewritten to include accountability in policy. Senator Den Hartog said that she supported including technology dollars in the new formula. Co-chair Horman said that she thinks that technology is an infrastructure need that she believes falls under the definition of uniformity and should be excluded from the formula. She said that line items including Mastery Based System, Continuous Improvement Plans & Training, Student Achievement Assessments, Math Initiative, Innovation Schools, and a portion of Content and Curriculum aren't distributed to school districts and, as such, are not appropriately included in the funding formula. The committee decided to include only Literacy Intervention, a portion of Content and Curriculum, Math and Science Requirements, Remediation, and Limited English Proficient and exclude the other line items from the formula. Senator Den Hartog objected to Technology being excluded, but recognized Co-chair Horman's point.

Master Educator Premium

ECS heard conflicting feedback from districts between those who thought the Master Educator Premium should be included vs. excluded from the formula and, as such, ECS had no specific recommendation for funding

the Master Educator Premium.

Mr. Griffith suggested that the committee follow up with districts to provide more information or survey how much interest there is, but keep it outside the formula for now.

Co-chair Winder suggested that this might be a topic for the germane committee during session rather than this committee. Senator Ward-Engelking said she thinks funding the Master Educator Premium will be much more expensive than previously thought and that the legislature might have to fully fund the career ladder if it doesn't fund the Master Educator Premium. Senator Mortimer said he thinks there's a commitment among legislators to reward teachers doing exceptional work. Dr. Clark explained that she thinks there's been confusion because the committee had to create the standards for the program before the policy or funding was in place due to the eligibility timeline, but she believes lots of teachers are in the process of applying. Representative McCrostie said teachers that he works with ask constantly about the Master Educator Premium and they will be disappointed if it's not funded. He's not sure if it should be part of the formula, but he does think they need to seriously consider the issue.

Co-chair Winder noted the consensus of the committee is that the Master Educator Premium will stay outside the formula.

FUTURE MEETINGS:

September 5th meeting - ECS will present a draft, preliminary funding formula for the committee to review and refine (half-day meeting).

September 24th meeting - ECS will present input from state organizations and make final adjustments to the model (half-day meeting).

October meeting - ECS will present the final model and report.

ADJOURNMENT:

The meeting adjourned at 3:15 P.M.