

MINUTES
Approved by the Committee
Public School Funding Formula Committee
Monday, September 24, 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, 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 Dorothy Moon, District 8; Representatives Ryan Kerby and Judy Boyle, District 9; Representative Tom Dayley, District 21; Representative Lance Clow, District 24; Tim Hill, State Department of Education; Marilyn Whitney, Office of the Governor; Gideon Tolman, Division of Financial Management; Tracie Bent, Office of the State Board of Education; Tamara Baysinger, Idaho Charter School Commission; Mike Griffith and Emily Parker, Education Commission of the States; Julie Oberle, Anthony Mukuna, Christina Nava, and Karen Seay, State Department of Education; Doug Park, Boise School District; Jenn Thompson, Idaho Charter School Commission; Jacob Smith, Idaho Digital Learning Academy; Jonathan Gillen, West Ada School District; GwenCarol Holmes, Blaine County School District; Wendy Johnson, Kuna School District; Rob Winslow, Idaho Association of School Administrators; Will Goodman and Ryan Gravette, Idaho Education Technology Association; Quinn Perry and Karen Echeverria, Idaho School Boards Association; Kari Overall, Matt Compton, and Sue Wigdorski, Idaho Education Association; Cynthia Gibson and Robert Anthony, Idaho Walk Bike Alliance; Blake Youde, Emily McClure, and Terry Ryan, Idaho Charter School Network; John Foster, Kate Haas, and Murphy Olmstead, Kestrel West; Suzanne Budge, SBS Associates, LLC; Branden Durst, Cindy Wilson, and Will Hussman. Legislative Services Office (LSO) staff: Paul Headlee, 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 9:03 A.M.
- WELCOME AND INTRODUCTIONS:** Co-chair Winder recognized the members of the legislature in attendance and welcomed the public. **Speaker Bedke moved to approve the minutes from the September 5 meeting. The motion was seconded and approved unanimously.**

PRESENTATION:

PRESENTER:

PRESENTATION OF THE SECOND DRAFT OF THE NEW FUNDING FORMULA

Mike Griffith and Emily Parker, Education Commission of the States

Mr. Griffith informed the committee of changes made to the formula since the last meeting:

- Weights were adjusted to mirror recommendations;
- Title I student counts were included for at-risk;
- ADA counts were adjusted by +5%;
- A cap was placed on how much a district/charter can gain in one year;
- An additional weight was added for "alternative" enrollment.

Mr. Griffith said that ECS was still working on additional adjustments, including one for small school buildings and a comparison between 2017-18 funding under the old formula to 2018-19 funding under the new model.

Mr. Griffith reviewed total education funding, including federal and state funding. He said that the model will include \$1.56 billion (89.5%), while \$183 million (10.5%) will stay outside the formula. Mr. Griffith noted that federal dollars (representing about 10% of education funding in every state including Idaho) have been left outside the formula. He said that most states need to supplement federal funds to meet student needs, which is why states need to provide additional at-risk funding.

Ms. Parker reviewed the recommendations from ECS about weighting the following high-need student populations:

At-risk: Ms. Parker stated that ECS recommends using Title I as the at-risk student count, where all students receive additional funding, regardless of the school they attend, since it is no longer tied to the creation of alternative schools. She noted that there are approximately 50 schools in Idaho that do not have a Title I count, and ECS used the statewide average in the model for this number. She said that states vary widely in their weight for at-risk, but ECS recommends using a 0.25 weight in Idaho.

English Language Learners: Ms. Parker said that other states also vary widely in how they weight this population. ECS recommends a 0.35 weight in Idaho.

Special Education Students: Ms. Parker said that the current system does not reflect differences in student demographics between districts and schools, so ECS recommends a flat weight of 0.50 per student identified, which can increase to 1.0 under a more nuanced system. She said that federal guidelines prohibit reducing the amount of special education funding, but starting with a lower weight will allow the state to scale up if needed.

Gifted and Talented Students: Ms. Parker said that ECS recommends assuming that 10% of each school's population is gifted and talented and providing each of those students with an

additional \$100.

Ms. Parker said that because Idaho's base amount of funding is low relative to other states, ECS has recommended higher weights to ensure that these special populations are receiving enough funding.

Senator Ward-Engelking asked Mr. Griffith to clarify the use of Title I numbers for small schools. Mr. Griffith said that ECS could extrapolate the data from some of the small schools, but might have to use the state average for others. He noted that in the final report, ECS will probably recommend that the state use an entirely different weight.

Mr. Griffith recommended using at least three enrollment counts during the year. He suggested using fractional enrollment to account for students who attend more than one school in a day, providing funding to both schools the student attends as either a percentage of the school day or a percentage of the school year. Mr. Griffith asked the committee if they wanted to do three counts and how they wanted to approach fractional enrollment.

Co-chair Winder noted that the online stream of the meeting was not working correctly. He recessed the meeting until the issue could be resolved.

COMMITTEE DISCUSSION:

Co-chair Winder called the meeting back to order once the online stream of the meeting was working correctly. He invited Mr. Griffith to demonstrate the latest version of the model.

Mr. Griffith demonstrated how the model works and how to adjust various factors within the spreadsheet. He demonstrated for the committee the changes that had been made since the last meeting, including the weight for alternative schools and the small school building adjustment. Mr. Griffith tested out various scenarios in the formula at the committee's request.

The committee discussed and compared small schools under the new formula. Mr. Griffith noted that there are a few districts that need the small building adjustment to have the formula work for them. He said that otherwise he didn't see a pattern in winners and losers. Senator Mortimer asked if there was a correlation between teacher pay and experience and the small school adjustment. Mr. Griffith said there was not.

Mr. Hill asked if the cap on funding is based on total dollars or per student and how that would impact growing districts like West Ada. Mr. Griffith said the cap is based on total funding. He said that the model is targeted more toward small districts.

Co-chair Winder asked about the career ladder. Mr. Griffith noted that the career ladder is the largest part of the new formula, about 70% of the total. Co-chair Winder noted that the committee needs

to show priorities in payments without line items. Mr. Griffith suggested perhaps adopting a minimum statewide salary schedule to accomplish this, since the career ladder has been folded into the formula.

Senator Mortimer requested that a tab in the spreadsheet be created showing federal dollars as well as state dollars. Mr. Griffith suggested that the state phase in some of the weights to make them more generous.

Senator Den Hartog noted that she believes the committee shouldn't change weights so districts receive the same amount of funding, but that the formula should be constructed so special populations receive the money and resources they need. Representative McCrostie agreed and noted that the base amount per student also changes as the weights are adjusted, which he believes should be considered moving forward.

COMMITTEE DISCUSSION:

DISCUSSION OF IDAHO SCHOOL BOARDS ASSOCIATION LETTER REGARDING TECHNOLOGY LINE ITEM

Co-chair Winder invited discussion about the letters regarding the technology line item the committee had received from the Idaho School Boards Association and the Idaho Education Technology Association.

Senator Ward-Engelking voiced support for including technology in the formula to give schools more control over how they spend that money.

Ms. Whitney noted that the task force recommended that more money be budgeted for technology and that it eventually be folded into the operations budget for each school.

Co-chair Horman, Speaker Bedke, and Senator Mortimer agreed that technology should be separate.

Superintendent Ybarra suggested perhaps weighting technology within the formula.

Representative VanOrden noted that the germane committee will ultimately make the decision about whether technology should be in or out and will also hold public meetings on the subject.

Senator Den Hartog said that she had struggled with this topic, but believes it should be outside the formula as long as the legislature doesn't hear from districts that leaving it as a line item is too prescriptive. Mr. Hill reviewed the appropriation intent language for technology and Co-chair Horman noted that the statute does give flexibility in how technology funds are spent. Co-chair Winder said that the committee does want to provide flexibility for technology

to help districts address their needs, and the germane committee should address intent language.

COMMITTEE DISCUSSION:

FINAL REPORT AND 2019 SESSION PLANNING - ITEMS TO INCLUDE IN FINAL REPORT - TOPICS OF POTENTIAL DRAFT LEGISLATION AND TIMELINE FOR REVIEW PRIOR TO SESSION

Mr. Headlee noted that the committee will draft a final report and ECS will create a report as well. Co-chair Winder asked that background information be included in an appendix and that the materials provided by ECS be included as exhibits. He suggested that the committee draft legislation with the change to enrollment and requested that the committee's consensus on some items be described in the report for the germane committee's consideration.

Senator Bayer suggested that the committee present any draft legislation to the germane committees at the beginning of the legislative session.

Senator Mortimer said he supports a minimum of four enrollment counts - two in the fall and two in the spring - and he requested that the interim committee provide thorough and complete draft legislation to the germane committees. He requested that ECS provide decision points to the full committee before the October meeting. Mr. Hill and Representative VanOrden noted that the payment schedule will also need to be considered along with enrollment counts.

Co-chair Horman clarified that the experience factor does not explain any variation in outcomes between districts. Mr. Griffith confirmed this is true and that ECS can create weights to represent the stages of the career ladder.

Senator Mortimer asked for clarification about the alternative school weight. Mr. Griffith said that all schools will get at-risk funding, but alternative funding will only go to alternative schools. Mr. Griffith noted that Idaho has more students than many other states have in alternative schools, which are typically only for students with legal or violence issues, and that districts and schools have reported that they take more students than meet these criteria. He recommended that alternative school funding be phased down over a period of years as kids are moved back into mainstream schools. Dr. Clark noted that she believes the alternative school issue is not that simple, and that she thinks that there are many reasons why students are placed in alternative schools. Mr. Griffith recommended keeping some alternative schools but tightening the definition of students they accept.

Co-chair Winder asked for a subcommittee to help draft legislation before the next meeting. Co-chair Horman, Senator Mortimer, Representative McCrostie, Senator Den Hartog, and Dr. Clark volunteered to be included. He noted that the Governor's office,

the Superintendent's office, and Board of Education will be involved, as well as the subcommittee.

FUTURE MEETINGS:

Co-chair Winder asked that the October 25 meeting begin at 8 A.M. The committee also has a meeting scheduled for November 27.

ADJOURNMENT:

Co-chair Winder thanked everyone for their participation and adjourned the meeting at 1:36 P.M.