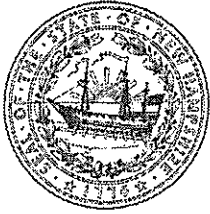


# State of New Hampshire



GENERAL COURT

CONCORD

## MEMORANDUM

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**DATE:** November 1, 2018

**TO:** Honorable Gene G. Chandler, Speaker of the House  
Honorable Chuck W. Morse, President of the Senate  
Honorable Paul C. Smith, House Clerk  
Honorable Tammy L. Wright, Senate Clerk  
Honorable Chris Sununu, Governor  
Michael York, State Librarian

**FROM:** Representative Karen Umberger, Chair

**SUBJECT:** Final Report of the Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education.  
HB 356, Chapter 190:1, Laws of 2017

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Pursuant to HB 356, Chapter 190:1, Laws of 2017, enclosed please find the Final Report of the Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education.

If you have any questions or comments regarding this report, please do not hesitate to contact me.

I would like to thank those members of the committee who were instrumental in this study. I would also like to acknowledge all those who testified before the committee and assisted the committee in our study.

Enclosures

cc: Members of the Committee

## FINAL REPORT

### Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education

HB 356, Chapter 190:1, Laws of 2017

November 1, 2018

Representative Karen Umberger, Chair  
Representative Glenn Cordelli  
Representative James Grenier  
Representative Rick Ladd  
Representative Peter Leishman  
Representative Mel Myler  
Representative Kenneth Weyler  
Senator Regina Birdsell

#### Committee Charge and Study Purpose:

##### Chapter 190:1, Laws of 2017 Committee Established.

III. The committee shall:

- (a) Evaluate the successes and shortcomings of the funding formula for kindergarten to grade 12 and propose changes to improve the funding formula.
- (b) Review and recommend modification to the education funding formula and the cost for an opportunity for an adequate education.
- (c) Identify the causes of increased per pupil education costs and develop proposals to help local school districts contain increasing costs.
- (d) Identify trends and disparities across the state in student performance in kindergarten to grade 12 and develop policy and funding formula recommendations for improvement.
- (e) Consider other policy issues as the committee may deem necessary.

#### Process and Procedures:

The committee met nineteen times during the study period. The meeting minutes are attached to this report as Appendix E.

## **New Hampshire K-12 Enrollment Trends**

Currently, New Hampshire schools for the most part are experiencing declining enrollments. Seventeen school districts between 2005 and 2015 had growing enrollment. In some cases, the increase was very small-- one or two students, while others had significant enrollment growth. Over the last ten years, the statewide decline in student population has been over 21,000 children. This decline in enrollment has contributed to increasing costs associated with providing an adequate education at the local level.

New Hampshire spends more per pupil than forty-three other states, to the tune of more than \$5,000 per pupil on average. This spending is more a result of local decisions made by local school boards and taxpayers when they approve school budgets than of any action or direction by the state. The past decade has seen an increase in staffing while the enrollment statewide has fallen over 10%. Three areas that have driven increased costs are special education, free and reduced lunch populations, and school administrative units (SAUs). Some of the state's current SAUs have fewer than 500 students while others have more than 1,500 students. The SAUs are required to provide the same services no matter their size. The state does not provide any funding for SAUs. The costs are totally borne by the taxpayers who are part of the SAU and directly impact the local education tax rate. For example, Conway's contribution to SAU 9 was over \$1,000,000 for 2018. A reduction in the number of SAUs, through consolidation for example, would be a local decision, not within the purview of the state.

## **Sources of K-12 School Funding**

There are two types of public schools in New Hampshire and both receive money from the state. The first is what we think of as regular or traditional public schools and the other is chartered public schools. This report will only be discussing the dollars that are provided to traditional public schools. The state for FY 19 provides funding for base adequacy in the amount of \$3,636.05 per student as well as differentiated aid in the amount of \$1,818.02 for each child eligible for free or reduced price lunch; \$1,956.09 for each child with special education requirements; \$711.40 for English language learners; and \$711.40 for each third grade pupil with a score below the proficient level on the reading component of the state assessment or authorized locally-administered assessment, provided the pupil is not eligible to receive other differentiated aid as previously identified. Kindergarten pupils, prior to FY 19, received half of the adequate education dollars per pupil. The Legislature in FY 18 enacted legislation to authorize Keno statewide with individual cities and towns deciding whether Keno would be implemented in their city or town. The legislation specifically restricts proceeds from Keno to support an additional \$1,100 per kindergarten pupil to the school district. If Keno proceeds exceed the dollars needed to support the \$1,100 in future years, the amount allocated per pupil will increase based on the Keno proceeds. Additionally, dollars from the general fund are provided to the towns for children whose special education costs exceed 3.5 times the cost of an average special education student. Transportation costs for children attending a Career Technical Center outside their

home school district are also paid by the state. Finally, \$138,376,478 is provided to 169 communities to hold a town harmless from a grant decrease that occurred when the formula was changed in FY 2011 -FY 2012. These stabilization grants are currently being reduced at 4% per year. The state overall provided \$924,899,505 in FY 18 toward public school education, of which \$363 million is from the Statewide Education Property Tax (SWEPT) pursuant to RSA 76:3.

The FY 2019 statewide education property tax (SWEPT) rate is \$2.17 per thousand which determines the SWEPT amount each town receives. The SWEPT tax rate per thousand has been declining over time as equalized valuation has increased since SWEPT was introduced. There are thirty-seven towns whose SWEPT amount accounts for all education money the town receives. Towns whose SWEPT dollars cover all education costs receive no additional dollars from the state. If the SWEPT amount exceeds the cost of an adequate education plus differentiated aid, the town retains any excess. Prior to the funding formula change in FY 2011, a municipality returned any amount exceeding the cost of an adequate education plus differentiated aid to the state. These SWEPT dollars exceeding the cost of an adequate education plus differentiated aid are generally used to support the schools.

In FY 2016, the Department of Education (DOE) calculated the state average cost per pupil to be \$15,311 excluding transportation.<sup>1</sup> The range across the state of per pupil costs goes from a low of \$9,585 to a high of \$42,586.<sup>2</sup> The State funding described above comes from the Education Trust Fund. The Education Trust Fund is funded by a portion of the Business Profits Tax, Business Enterprise Tax, Meals and Rentals Tax, Tobacco Tax, Real Estate Transfer Tax, transfer from the Lottery Commission, Tobacco Settlement, Utility Property Tax, and SWEPT. Schools also receive Title grants from the Federal government that are not included in the money the state provides. The difference between the federal and state aid provided to local districts and their local school costs are provided by local property taxes.

### **Local Property Tax Rates and Fiscal Capacity**

Local school tax rates vary significantly throughout NH from a high of \$23.75 in Brookline to a low of \$0.34 in New Castle.<sup>3</sup> The state average is \$12.73 with the median being \$13.45.<sup>4</sup> The variance in tax rate does not necessarily correlate to differences in the quality of education, but rather on the value of property within each town and the ability of homeowners and businesses to

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<sup>1</sup> New Hampshire Department of Education, Cost Per Pupil By District 2016-2017, updated December 7, 2017, [https://www.education.nh.gov/data/documents/cost\\_pup16\\_17.pdf](https://www.education.nh.gov/data/documents/cost_pup16_17.pdf).

<sup>2</sup> *Id.*

<sup>3</sup> New Hampshire Department of Revenue Administration, Completed Public Tax Rates 2017, <https://www.revenue.nh.gov/mun-prop/municipal/property-tax-rates.htm>.

<sup>4</sup> *Id.* These figures exclude tax data for unincorporated places.

support a higher tax rate. Even though the average income in New Hampshire is one of the highest in the nation, this is not uniform throughout the state. There are numerous school districts whose free and reduced lunch population exceeds 35% and some are as high as 68%. Children are eligible for free or reduced lunch if their household income is below the poverty level and up to 185% of the poverty level. This inequity in income affects the ability of some communities to increase the dollars raised by local property taxes. Also some communities have instituted a tax cap, and as a result, the school tax rate can only increase by the amount of the tax cap.

### **Challenges Faced by Small and Remote Districts**

There are numerous elementary schools in the state with fewer than 100 children. In most cases, these schools are in the rural areas of New Hampshire which makes it difficult to consolidate because of the distance to the next closest elementary school. Additionally, many of these schools do not want to consolidate for various reasons: possible loss of community center, loss of familiarity with school personnel, loss of school alignment with community traditions, loss of control of administration/finances, etc. Of course this results in the local tax payers picking up a greater tax burden than other (local) areas that have larger student populations, and results in a higher operational cost per pupil. We have also seen towns deciding to pull their students from a school district with which they had a tuition agreement and send them elsewhere. That leaves the prior receiving school district with greater per pupil expenses because of the sudden drop in the number of students served. Fewer students did not necessarily result in fewer teachers or administrators because of the mix of students who left. These school districts still need to provide educational opportunities for their students, but the cost per student rises and local taxes increase.

Some school districts have looked at consolidation. Costs associated with consolidation may initially be greater than running their own separate district. Each town and school district in the state has its own operational and cultural issues that may work for one town but not necessarily another. This unique, but perhaps inefficient operational philosophy, points to New Hampshire's basic and grounded belief in "local control," that often collides with statutory law that emphasizes that education is a "shared responsibility" between local and state government.

Our current way of distributing adequate education money assumes all school districts in the state are the same. There also seems to be a lack of understanding on the part of local school boards about what the state provides and how education funding is calculated. A couple of examples within the funding formula follow. First, the student to teacher ratio is funded based on 25 students in first and second grade and 30 students in all other grades. The average class room size is 17 to 1 which results in the local tax payers picking up the difference in providing student education. The universal classroom pupil-teacher ratio was established in the Joint Legislative Oversight Committee on Costing an Adequate Education Report dated February 1, 2008. Secondly, we provide funding for one principal for every 500 children. Schools with

fewer than 500 students receive partial or proportional funding based upon the formula of 500 to 1 for their principal.

### **Case Study: Pittsfield**

Let's look at Pittsfield, which in the 2016-17 school year, had an average daily membership of 534 students in grades K-12. Base adequacy for the town in FY 2018 was \$1,942,746.86 and SWEPT was \$561,693. Pittsfield has a rather high free and reduced price lunch student population (50%) and it received an additional \$501,555.36 in differentiated aid for that category. Special education differentiated aid added \$238,917 and differentiated aid for ELL and third grade reading totaled \$2.134 and \$4,980 respectively. In addition to the money from the adequacy formula, Pittsfield also currently receives a stabilization grant of \$2,010,455. The 2017 local school tax assessment was \$17.79 per thousand. The median household income was \$49,087 in 2016 while the state average was \$68,485. It should be pointed out that the average cost per pupil in Pittsfield schools in 2016-2017 was \$16,314.84 which is \$1,004.17 above the state average. This is an example of a school district struggling to provide an adequate education to its students. There are numerous school districts throughout the state that are facing the same problems. We did not do an analysis of possible efficiencies that Pittsfield might try because the local school board makes the decisions about how much money the community will spend on their schools and the state does not second guess the school board.

The committee recognizes that the present education funding formula does not: 1) account for the percentage of poverty within a municipality through weighted allocation of resources based upon the percentage of students from poverty situations, 2) address the issue of below average median family income levels, and 3) provide those municipalities with the lowest capacity to raise property tax revenue needed support. These are critical elements needing resolution. These elements are necessary in order to provide a well-educated workforce and grow our economy during a time of declining school enrollments. To provide the necessary change, all elements within the adequacy formula may need reconsideration to ensure that the formula is meeting current educational trends and workforce needs. This includes a review of the SWEPT.

### **Evolution of State Education Funding Since 2008**

At our first meeting, background material was provided to the members including the Joint Legislative Oversight Committee on Costing an Adequate Education, dated February 1, 2008. This committee and subsequent legislation defined the per pupil universal cost of an adequate education. The committee calculated the universal cost at \$3,456. Subsequent legislation has increased the base amount by the Consumer Price Index for all Urban Consumers, Northeast Region using the "services less medical care services" special aggregate index, as published by the Bureau of Labor Statistics, United States Department of Labor. RSA 198:40-d states that "[t]he average change shall be calculated using the three calendar years ending eighteen months before the beginning of the biennium for which the calculation is to be performed." The base

adequacy for FY 19 is set at \$3,636. In addition to base adequacy, the committee determined that some students who have greater educational needs required additional support from the state to receive the opportunity for an adequate education. This additional money is called differentiated aid. It was designated to support the following groups of students: English Language Learners, special education students, and economically disadvantaged students, identified as those children eligible for the free or reduced price lunch program.

SB 539 passed in May 2008 and implemented the recommendations from the Joint Legislative Oversight Commission on costing an Adequate Education. SB 539 also awarded different amounts of differentiated aid based on the percentage of free and reduced lunch which varied from \$431 to \$3,450 per student (ADMA). School districts were to separately account for the differentiated aid and use the dollars to enhance programs. SB 539 also implemented Fiscal Capacity Disparity Aid which was based on equalized valuation per pupil and median family income and created a study committee to review Fiscal Capacity, Transition Aid and Diseconomies of Scale. Additionally, SB 539 required that excess Statewide Education Property Tax be remitted to the state.

In 2011, HB 337 repealed Fiscal Capacity Disparity Aid. HB 337 also established that no municipality would receive less than the education grant received in the fiscal year ending June 30, 2011 and ended the practice of state-collection of excess SWEPT funds. Thus was born the stabilization grant.

### **The Committee's Work**

With this background information, we began delving into the nuts and bolts of student enrollment, equalized valuation tax assessments and tax rates, and how adequate education and stabilization grants are calculated. We asked superintendents from a large SAU and a small SAU to meet with the committee to describe the challenges they are facing in managing their SAUs. We also invited Dr. Mark Joyce and former Representative Doug Hall to brief the committee on their perspectives of what should constitute adequate education funding. The AG's office provided an explanation of the Claremont I and Claremont II Supreme Court decisions. DRA provided us with information on the calculation of the Statewide Education Property Tax.

We also reviewed local school budgets to see how the dollars were spent and reviewed the DOE 25 which is a report to the state on school expenditures. DOE provided an overview of the Federal Title Programs for a better understanding of the dollars received from the Federal government. We also looked into the dollars school districts receive from the state General Fund for special education for students whose costs exceed 3 ½ and 10 times estimated state average expenditure per pupil. Transportation and tuition costs for students attend a Career Technical Center outside their school district also are funded by the General Fund.

Our Committee Researcher provided information on how other states fund education and we discussed how Maine determines education costs via phone conference with Amy Johnson of the

Maine Education Policy Research Institute. Additional information was provided to the committee which consisted of numerous studies that are shaping education policy across the states.

### **Committee Recommendations**

#### I. End stabilization grants.

The stabilization grants are being paid based on school enrollment in 2011 and do not reflect the current student population of the state. Municipalities and school districts have come to believe they are entitled to receive money for non-existing students. When stabilization grants were introduced in 2011, it was the legislature's intent that the money would help school districts transition to a new funding formula beginning in 2012. However, it was not until 2016 that the stabilization grant began to be reduced by 4% per year with a complete phase out scheduled to occur over a 25-year period. Education dollars should go to support current students.

#### II. Increase base adequacy for all students and increase differentiated aid for students eligible for free or reduced price lunch.

The Committee agreed early on in this study not to attempt to reconstruct the formula, but rather to update the dollar figures in the current formula. It is therefore recommended by the committee that base adequacy be raised to \$3,897 and differentiated aid for students eligible for free or reduced price lunch be raised to \$2,500 with no change to special education funding, English language learner and to eliminate the money for those children who are in 3<sup>rd</sup> grade and reading below proficient level. These dollars would go to all municipalities to be spent on education.

The change in the base adequacy rate was to align the costs based on current salaries and needs of each school district. The money for students eligible for free or reduced price lunch is recognition that it is essential we improve the reading and math proficiency of children in this socio-economic situation. The dollars that were set aside for children who are in 3<sup>rd</sup> grade and reading below proficient level has not proven to be a way to improve proficiency and would be better spent on increasing the free and reduced lunch support for children.

#### III. Enact a grant program designed to provide additional funds to school districts in communities with below average property value per pupil.

In addition to the increased aid discussed above, the committee recognized that many communities do not have the capability to raise taxes due to the communities' below average equalized property valuation and often high percentage of children who are eligible for free or reduced price lunch. In an effort to assist these communities, a grant program would be initiated based on equalized valuation per student. Those communities whose equalized valuation is at or below \$660,000 would receive an additional \$2,500 per student. The grant amount per pupil



would be linearly reduced in relation to equalized property value per pupil to the minimum per pupil grant amount of \$1,000 for a community that has \$1,000,000 in equalized property value per pupil. Any community, no matter its equalized valuation per pupil, that receives federal Title I funds would be eligible for a grant of \$2,500 per student attending the Title I school.

School districts eligible for the grant program must apply to DOE and provide them with a plan and accountability progress reports.

A. Grant Program Purpose:

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The grant program is based upon equalized property valuation per student, and is designed to provide funding assistance to eligible school districts in support of academic growth and achievement in grades K-12. Grant recipients may expend grant funds in a manner which best fits local need, and grant funds are not restricted or targeted to any specific group.

B. Grant Plan:

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A school district receiving a grant award shall submit to the Department of Education a plan identifying essential programs and accountability indicators, considering educational needs and identifying at what grade levels grant funds will be used. Grant accountability plans must demonstrate new and innovative approaches as well as best educational practices contributing to academic achievement and growth. Initial grant awards will be approved by the Department and awarded for a five-year timeframe with no adjustments.

The cooperative school districts that enroll students in grades K-12 will inform the Department of Education of the individual member communities that qualify for the grant and the number of students enrolled in the cooperative school district from each qualifying community. The Department of Education will compute the grant amount. This procedure will also apply to schools with tuition agreements. All other provisions of the grant application and administration will apply.

Where a cooperative school district serves only certain grade spans, such as 6-12 or 9-12, the member communities will be eligible to apply for the grant for their elementary school or other school that exists outside the cooperative district. The cooperative school district will also inform the Department of Education of the number of students from grant-eligible communities attending the cooperative school district and apply for the grant. This procedure will also apply to schools with tuition agreements. All other provisions of the grant application and administration will apply.

### C. Grant Accountability Progress Report:

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The school district shall annually use the statewide assessment, or in consultation with the Department, develop and administer its own standardized accountability grant assessment that identifies a range of learning and yields objective data showing progress toward academic growth and achievement attributable to grant funds. The school district shall submit to the Department an annual grant accountability progress report covering the indicators set forth in the district's grant accountability plan to include district progress on indicators set forth in the delivery of an adequate education pursuant to RSA 193-E: 3.I. The Commissioner may withhold grant resources from a school district if the district does not submit an annual grant accountability report as required and in keeping with established Department protocol.

### D. Corrective and Improvement Assistance:

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If a school district is not making academic growth and achievement toward grant accountability goals, the Commissioner shall issue notice to the district and may initiate a plan providing corrective and improvement assistance. Grants are also subject to state compliance audits.

- IV. Amend RSA 189:6, regarding the transportation of pupils, to allow the local school board to determine its transportation policy.

The Committee considered revamping how transportation costs were provided to the school districts. However, as we looked at how SAU's and local school districts provide transportation to the students, we found transportation varied widely across the state. The Committee agreed to leave transportation to and from school within the adequate education formula. All students attending K-12 receive as part of the adequate education formula the same amount for transportation. We agreed to recommend updating RSA 189:6 to clearly state that the district has flexibility to determine its transportation policy. This requires amending RSA 189:6 to read: "The local school district may furnish transportation to all pupils in grades K-12." Within the adequate education formula, \$315 per student is provided for transportation. RSA 189:6 places stipulations on who shall be provided transportation and who may be provided transportation. Because each student receives transportation funding, this statute should be changed to allow the local school board to determine who is furnished with transportation.

- V. Establish a commission to review and evaluate the grant program going forward.

Once the new funding formula is in place, a commission needs to be established to review the changes and determine the progress of the new funding formula in improving academic growth

and achievement. The commission would also recommend changes to the funding formula for further legislation.

### **Conclusion**

It is recognized there are many options available to determine education funding and the cost of an opportunity for an adequate education. The committee heard several options, but agreed that increasing base adequacy to better reflect current costs and implementing a targeted grant program to deliver additional funds to the neediest communities was the best option to address the cost of an opportunity for all children for an adequate education. Legislation will be filed for the 2019 session to address this formula change. Legislation will also be introduced to change RSA 189:6, relative to pupil transportation.

As the formula moves forward, it is recommended that a standing commission be appointed to review the effects of these changes and make recommendations for further legislation.

To access many of the documents considered by the committee in the course of its deliberations, please visit the committee website.<sup>5</sup> The committee respectfully submits its report and appreciates all of the work and the information we received from DOE, folks who testified, and of course our Committee Researcher.

### **Summary of Recommendations**

1. End stabilization grants.
2. Increase base adequacy for all students and increase differentiated aid for students eligible for free or reduced price lunch.
3. Enact a grant program designed to provide additional funds to school districts in communities with below average property value per pupil.
4. Amend RSA 189:6, regarding the transportation of pupils, to allow the local school board to determine its transportation policy.
5. Establish a commission to review and evaluate the grant program going forward.

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<sup>5</sup> Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education, HB 356, Chapter 190:1, Laws of 2017, <http://www.gencourt.state.nh.us/statstudcomm/committees/1365/>.

## MINORITY REPORT

### Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education

HB 356, Chapter 190:1, Laws of 2017

November 1, 2018

Representative Mel Myler

#### Findings

During the study period, the Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education accumulated and reviewed volumes of information on the topic of education finance. As a co-sponsor of this bill, its intent was to create a conversation and identification of the issues facing the complex matter of school funding. It has been ten years since the last legislative study issued its report in 2008. All members of the Committee seriously did their due diligence with integrity and resolve.

During our review, it became obvious that the educational disparity that was identified by the Claremont I law suit was still prevalent 20 plus years later. The legislature has failed in its constitutional responsibility to provide an adequate education to NH students (Part II, Article 83) and a uniform tax rate (Part II, Article 5) to assist in the funding of public education. For years, I have observed the unwillingness for the legislature to fully engage a process to address its school adequacy and funding constitutional responsibility. We continue to have rich schools and poor schools based on the property wealth of their community. The result is that some students have a greater educational advantage because of the wealth of the community in which they reside.

As the state concerns itself with the development of a quality work force, public schools are the lynch pin to the economic future of our state. The Committee's majority recommendation continues the history of playing at the margins of the school funding issue by providing additional funding here and there to schools without addressing the core disparities of funding public schools. With all deference to my committee colleagues, more time is needed to fully review educational and funding data to engage interest groups, parents, economists, corporations, educational professionals, legislators, etc., in a transparent process to assess just what type of educational opportunities we want for the students of the state. Such a process will establish a foundation on which we can then build a revenue stream to adequately fund all students.

## **Recommendations**

My recommendation is to create an Educational Adequacy and Funding Commission to complete the HB356 study which could not be completed in a timely fashion. The Commission's focus would be the same charge as noted in the HB356 study:

1. Evaluate the successes and short comings of the funding formula for kindergarten to grade 12 and propose changes to improve the funding formula.
2. Review and recommend modifications to the education funding formula and the cost for an opportunity for an adequate education.
3. Identify the causes of increased per pupil education costs and develop proposals to help local school districts contain increasing costs.
4. Identify trends and disparities across the state in student performance in kindergarten to grade 12 and develop policy and funding formula recommendations for improvement.

## Appendix A

*Excerpt from Final Report and Findings of the Joint Legislative Oversight Committee Pursuant to 2007  
Laws Chapter 270<sup>6</sup>*

The universal cost of providing the opportunity for an adequate education as defined by RSA 193-E:2-a based on the Committee's findings equals \$3,456 per pupil. The chart below exhibits the calculation of the universal cost based on the Committee's findings.

### 6. Calculating the per pupil universal cost

The universal cost of providing the opportunity for an adequate education as defined by RSA 193-E:2-a based on the Committee's findings equals \$3,456 per pupil. The chart below exhibits the calculation of the universal cost based on the Committee's findings.

		Per Pupil Amounts	
		Grades K-2	Grades 3-12
<b>TEACHERS<sup>1</sup></b>			
	Salary	\$ 33,847	
	5% Salary Increase	\$ 1,692	
	Total Salary	\$ 35,539	
	Benefits (33%)	\$ 11,728	
	Total Teacher	\$ 47,267	
Grades K-2:	1 Teacher / 25 Students	\$ 1,891	
	20% for Specialty Teachers	\$ 378	
Grades 3-12:	1 Teacher / 30 Students		\$ 1,576
	20% for Specialty Teachers		\$ 315
 <b>PRINCIPAL</b>			
	Salary	\$ 75,159	
	5% Salary Increase	\$ 3,758	
	Total Salary	\$ 78,917	
	Benefits (28%)	\$ 22,097	
	Total Principal	\$ 101,014	
Grades K-12	1 Principal / 500 Students	\$ 202	\$ 202
 <b>PRINCIPAL ADMINISTRATIVE ASSISTANT</b>			

<sup>6</sup> Final Report and Findings of the Joint Legislative Oversight Committee Pursuant to 2007 Laws Chapter 270, February 1, 2008, available at <http://www.gencourt.state.nh.us/statstudcomm/reports/892.pdf> at 24-26. For additional discussion of the committee's findings, see pages 12-23.

Salary	\$	30,202
5% Salary Increase	\$	1,510
Total Salary	\$	31,712
Benefits (33%)	\$	10,465
Total Admin. Asst.	\$	42,177

Grades K-12                    1 Admin. Asst. / 500 Students                    \$     84     \$     84

**GUIDANCE COUNSELOR**

Salary	\$	37,141
5% Salary Increase	\$	1,857
Total Salary	\$	38,998
Benefits (33%)	\$	12,869
Total Guidance Counselor	\$	51,867

Grades K-12                    1 Guidance Counselor / 400 Students                    \$     30     \$     130

**LIBRARY MEDIA SPECIALIST**

Salary	\$	33,847
5% Salary Increase	\$	1,692
Total Salary	\$	35,539
Benefits (33%)	\$	11,728
Total Media Specialist	\$	47,267

Grades K-12                    1 Media Specialist / 500 Students                    \$     95     \$     95

**TECHNOLOGY COORDINATOR**

Salary	\$	33,847
5% Salary Increase	\$	1,692
Total Salary	\$	35,539
Benefits (33%)	\$	11,728
Total Tech. Coordinator	\$	47,267

Grades K-12                    1 Tech. Coord. / 1,200 Students                    \$     39     \$     39

**CUSTODIAN**

Salary	\$	26,229
5% Salary Increase	\$	1,311
Total Salary	\$	27,540
Benefits (33%)	\$	9,088
Total Custodian	\$	36,628

Grades K-12                    1 Custodian / 500 Students                    \$     73     \$     73

**INSTRUCTIONAL MATERIALS**                    \$     250     \$     250

TECHNOLOGY	\$ 75	\$ 75
TEACHER PROFESSIONAL DEVELOPMENT	\$ 20	\$ 20
FACILITIES OPERATION AND MAINTENANCE	\$ 195	\$ 195
TRANSPORTATION	\$ 315	\$ 315
TOTAL PER PUPIL UNIVERSAL COST	\$ 3,747	\$ 3,369
ESTIMATE OF "BLENDED" PER PUPIL UNIVERSAL COST <sup>2</sup>		
(\$3,747 x 3) + (\$3,369 x 10) / 13 =		\$ 3,456

NOTES:

1) Per pupil amounts for salaried positions determined by dividing the total cost of salary and benefits by the number of pupils per position, rounded to the nearest dollar.

2) "Blended" per pupil universal cost is a weighted average of the Grades K-2 cost and the Grades 3-12 cost based on 13 grades.



## Appendix B

### *The Committee's Updated Calculation of Base Adequacy*

			Per Pupil K-2	Per Pupil 3-12
<b>Teachers</b>				
	Salary	\$36,845		
	5% Increase	1,842		
	Subtotal	38,867		
	Benefits (33%)	12,767		
	Total Teacher	51,454		
K-2 Teacher	1:25 Students		\$2,058	
	20% Specialty Teacher		412	
3-12 Teacher	1:30 Students			\$1,715
	20% Specialty Teacher			343
<b>Principal</b>				
	Salary	\$85,159		
	5% Increase	4,258		
	Subtotal	89,417		
	Benefits (28%)	22,354		
	Total Principal	\$111,771		
K-12	1:500 Students		\$223	\$223
<b>Administrative Assistant</b>				
	Salary	\$34,202		
	5% Increase	1,710		
	Subtotal	35,912		
	Benefits (33%)	11,851		
	Total Administrative Assistant	\$47,763		
K-12	1:500 Students		\$96	\$96
<b>Guidance Counselor</b>				
	Salary	\$40,436		
	5% Increase	2,022		
	Subtotal	42,458		
	Benefits (33%)	14,011		
	Total Guidance Counselor	\$56,469		
K-12	1:400 Students		\$141	\$141
<b>Library/ Media</b>				

<b>Specialist</b>				
	Salary	\$36,654		
	5% Increase	1,833		
	Subtotal	38,487		
	Benefits (33%)	12,701		
	Total Library/ Medial Specialist	\$51,188		
K-12	1:500 Students		\$102	\$102
<b>Technology Coordinator</b>				
	Salary	\$37,827		
	5% Increase	\$1,891		
	Subtotal	\$39,718		
	Benefits (33%)	13,107		
	Total Technology Coordinator	\$52,825		
K-12	1:500 Students		\$106	\$106
<b>Custodian</b>				
	Salary	\$28,996		
	5% Increase	1,450		
	Subtotal	30,446		
	Benefits (33%)	10,047		
	Total Principal	40,493		
K-12	1:500 Students		\$81	\$81
Instructional Materials			\$300	\$300
Technology			\$100	\$100
Teacher Professional Development			\$30	\$30
Facilities Operations and Maintenance			\$250	\$250
Transportation			\$315	\$315
Total Per Pupil Universal Cost			\$4,214	\$3,802
Blended Per Pupil Cost	$(4,214*3) + (3,487*10) / 13 =$		<b>\$3,897</b>	

***Summary of Inputs Used in Calculation Above:***

Teacher Salary \$36,845

Principal Salary \$85,159

Administrative Assistant Salary \$34,202

Guidance Counselor Salary \$40,436

Library Media Specialist Salary \$36,654

Technology Coordinator Salary \$37,827 Change to 1 per 500 children

Custodian Salary \$28,996

Instructional Material \$300

Technology \$100

Professional Development \$30

Facilities Operation \$250

## Appendix C

### *Proposed Grant*

Town	Total Equalized Valuation	Average Daily Membership	Equalized Valuation Per Pupil	Grant
Berlin	\$ 350,633,529	1,059	\$ 331,221	\$2,500.00
Northumberland	\$ 102,835,045	283	\$ 363,259	\$2,500.00
Claremont	\$ 701,993,186	1,632	\$ 430,117	\$2,500.00
Greenville	\$ 116,815,916	267	\$ 437,677	\$2,500.00
Charlestown	\$ 275,275,977	617	\$ 446,275	\$2,500.00
Troy	\$ 132,207,847	282	\$ 468,158	\$2,500.00
Winchester	\$ 270,016,870	551	\$ 489,658	\$2,500.00
Lisbon	\$ 108,325,183	212	\$ 511,910	\$2,500.00
Pittsfield	\$ 275,268,894	534	\$ 515,195	\$2,500.00
Penacook	\$ 396,543,796	749	\$ 529,749	\$2,500.00
Newport	\$ 442,388,657	830	\$ 533,024	\$2,500.00
Lancaster	\$ 241,230,021	447	\$ 539,616	\$2,500.00
Brookline	\$ 609,751,240	1,112	\$ 548,397	\$2,500.00
Bennington	\$ 105,089,881	190	\$ 553,775	\$2,500.00
New Ipswich	\$ 416,040,912	738	\$ 563,756	\$2,500.00
Farmington	\$ 503,225,173	854	\$ 589,036	\$2,500.00
Franklin	\$ 604,858,766	1,021	\$ 592,163	\$2,500.00
Northfield	\$ 343,841,999	579	\$ 593,968	\$2,500.00
Allenstown	\$ 295,314,748	497	\$ 594,302	\$2,500.00
Boscawen	\$ 273,998,650	458	\$ 597,976	\$2,500.00
Haverhill	\$ 343,913,895	564	\$ 609,398	\$2,500.00
Weare	\$ 893,934,396	1,454	\$ 614,667	\$2,500.00

Hillsboro	\$ 524,898,983	846	\$ 620,177	\$2,500.00
Rochester	\$ 2,472,768,821	3,926	\$ 629,801	\$2,500.00
Derry	\$ 3,209,467,436	5,003	\$ 641,480	\$2,500.00
Somersworth	\$ 970,329,866	1,477	\$ 657,111	\$2,500.00
New Boston	\$ 674,587,132	1,014	\$ 664,972	\$2,478.07
Pembroke	\$ 685,857,080	1,028	\$ 667,222	\$2,468.14
Belmont	\$ 675,202,388	993	\$ 680,264	\$2,410.60
Warren	\$ 70,172,623	103	\$ 683,544	\$2,396.13
Milan	\$ 113,644,816	166	\$ 685,392	\$2,387.98
Sullivan	\$ 51,604,414	75	\$ 690,822	\$2,364.02
Madbury	\$ 254,256,479	366	\$ 695,222	\$2,344.61
Milford	\$ 1,502,209,392	2,155	\$ 697,100	\$2,336.32
Jaffrey	\$ 485,524,353	689	\$ 704,946	\$2,301.71
Whitefield	\$ 194,276,792	274	\$ 708,574	\$2,285.70
Middleton	\$ 179,775,861	252	\$ 713,340	\$2,264.68
Colebrook	\$ 165,343,471	232	\$ 713,395	\$2,264.44
Dalton	\$ 88,457,359	124	\$ 715,154	\$2,256.67
Marlborough	\$ 176,705,873	247	\$ 716,860	\$2,249.15
Mont Vernon	\$ 278,453,615	388	\$ 717,276	\$2,247.31
Sandown	\$ 691,529,949	963	\$ 718,323	\$2,242.69
Gorham	\$ 254,256,030	353	\$ 720,680	\$2,232.29
Hinsdale	\$ 362,722,818	503	\$ 721,262	\$2,229.73
Danville	\$ 436,618,942	601	\$ 726,500	\$2,206.62
Swanzy	\$ 598,126,308	822	\$ 727,471	\$2,202.34
Salisbury	\$ 143,307,044	195	\$ 734,155	\$2,172.85
Unity	\$ 124,271,306	168	\$ 737,953	\$2,156.09
Richmond	\$ 95,388,927	128	\$ 746,743	\$2,117.31

Alstead	\$ 158,409,324	209	\$ 757,504	\$2,069.83
Stratford	\$ 54,550,144	72	\$ 759,328	\$2,061.79
Litchfield	\$ 996,629,431	1,283	\$ 776,960	\$1,984.00
Keene	\$ 1,853,318,546	2,378	\$ 779,291	\$1,973.71
Epsom	\$ 462,296,866	590	\$ 783,435	\$1,955.44
Goffstown	\$ 1,679,729,905	2,139	\$ 785,401	\$1,946.76
Manchester	\$ 10,115,188,558	12,821	\$ 788,930	\$1,931.19
Chester	\$ 649,689,911	822	\$ 790,194	\$1,925.61
Fremont	\$ 480,953,595	608	\$ 791,185	\$1,921.24
Hill	\$ 91,134,471	114	\$ 798,725	\$1,887.98
Lee	\$ 530,857,155	657	\$ 808,395	\$1,845.31
Brentwood	\$ 635,540,255	784	\$ 810,845	\$1,834.51
Barnstead	\$ 535,712,681	660	\$ 811,452	\$1,831.83
Antrim	\$ 254,661,843	314	\$ 811,490	\$1,831.66
Raymond	\$ 1,014,725,486	1,246	\$ 814,164	\$1,819.86
Barrington	\$ 1,047,752,915	1,286	\$ 814,491	\$1,818.42
Grafton	\$ 117,469,745	144	\$ 818,091	\$1,802.54
Canaan	\$ 370,910,994	449	\$ 826,009	\$1,767.61
Hopkinton	\$ 701,859,811	850	\$ 826,058	\$1,767.39
Warner	\$ 277,195,231	335	\$ 827,053	\$1,763.00
Westmoreland	\$ 172,511,288	207	\$ 831,740	\$1,742.32
Landaff	\$ 45,704,636	55	\$ 833,570	\$1,734.25
Milton	\$ 440,474,636	523	\$ 842,127	\$1,696.50
Greenfield	\$ 159,182,700	186	\$ 855,867	\$1,635.88
Northwood	\$ 533,498,124	621	\$ 859,178	\$1,621.27
Henniker	\$ 447,261,451	520	\$ 860,847	\$1,613.91
Langdon	\$ 62,004,130	72	\$ 863,207	\$1,603.50

Strafford	\$ 527,831,600	610	\$ 864,717	\$1,596.84
Plymouth	\$ 464,464,685	527	\$ 880,852	\$1,525.65
Orange	\$ 33,520,120	38	\$ 880,949	\$1,525.22
Loudon	\$ 604,431,541	668	\$ 904,783	\$1,420.07
Gilmanton	\$ 482,490,134	533	\$ 905,694	\$1,416.06
Chichester	\$ 291,913,065	322	\$ 906,225	\$1,413.72
Concord	\$ 3,860,504,514	4,252	\$ 907,871	\$1,406.45
Auburn	\$ 809,825,829	889	\$ 910,746	\$1,393.77
Newton	\$ 560,063,577	614	\$ 912,185	\$1,387.42
Goshen	\$ 72,894,519	80	\$ 912,322	\$1,386.82
Dunbarton	\$ 357,090,737	390	\$ 915,523	\$1,372.69
East Kingston	\$ 345,501,548	377	\$ 915,551	\$1,372.57
Bedford	\$ 4,007,723,408	4,361	\$ 919,070	\$1,357.04
Epping	\$ 858,937,705	930	\$ 923,192	\$1,338.86
Bow	\$ 1,273,941,164	1,372	\$ 928,515	\$1,315.37
Hudson	\$ 3,110,973,707	3,340	\$ 931,477	\$1,302.31
Andover	\$ 275,754,143	296	\$ 932,263	\$1,298.84
Danbury	\$ 116,775,527	125	\$ 933,383	\$1,293.90
Benton	\$ 28,374,674	30	\$ 935,532	\$1,284.42
Webster	\$ 213,309,895	228	\$ 935,693	\$1,283.71
Windham	\$ 2,668,093,257	2,845	\$ 937,805	\$1,274.39
Nottingham	\$ 664,122,057	707	\$ 939,498	\$1,266.92
Bath	\$ 120,682,211	128	\$ 940,919	\$1,260.65
Alexandria	\$ 198,401,167	207	\$ 956,934	\$1,190.00
Pelham	\$ 1,801,733,966	1,876	\$ 960,597	\$1,173.84
Newmarket	\$ 931,626,122	967	\$ 963,270	\$1,162.05
Peterborough	\$ 710,112,297	730	\$ 972,464	\$1,121.48

Surry	\$ 83,311,104	85	\$ 977,945	\$1,097.30
Stewartstown	\$ 96,408,389	98	\$ 979,461	\$1,090.61
Dover	\$ 3,478,785.924	3,551	\$ 979,548	\$1,090.23
Marlow	\$ 64,253.818	66	\$ 980,675	\$1,085.26
Nashua	\$ 10,483,845,142	10,688	\$ 980,912	\$1,084.21
Wilton	\$ 388,544,693	395	\$ 982,439	\$1,077.48
Rindge	\$ 620,565,724	630	\$ 984,853	\$1,066.82
Littleton	\$ 678,230.013	687	\$ 987,551	\$1,054.92
Rollinsford	\$ 279,370,298	281	\$ 992,964	\$1,031.04
Hampstead	\$ 1,248,788,229	1,254	\$ 995,542	\$1,019.67
Deerfield	\$ 618,594,033	619	\$ 998,667	\$1,005.88
Exeter	\$ 2,095,003.267	2,091	\$ 1,001,915	\$0.00
Campton	\$ 407,852,719	407	\$ 1,003,155	\$0.00
Londonderry	\$ 4,173,716,733	4,072	\$ 1,024,866	\$0.00
Merrimack	\$ 3,615,246,064	3,527	\$ 1,025,061	\$0.00
Jefferson	\$ 129,469,188	125	\$ 1,033,686	\$0.00
Plainfield	\$ 273,091.853	263	\$ 1,037,189	\$0.00
Amherst	\$ 1,874,432,255	1,801	\$ 1,040,657	\$0.00
Albany	\$ 105,119,481	101	\$ 1,045,965	\$0.00
Newfields	\$ 288,562,217	275	\$ 1,050,387	\$0.00
Lempster	\$ 136,458.027	130	\$ 1,052,836	\$0.00
Bethlehem	\$ 282,541.519	268	\$ 1,054,495	\$0.00
Effingham	\$ 170,320,147	161	\$ 1,056,314	\$0.00
Springfield	\$ 205,200,889	194	\$ 1,057,955	\$0.00
Candia	\$ 483,739,667	453	\$ 1,067,245	\$0.00
Kingston	\$ 813,838.174	760	\$ 1,070,812	\$0.00
Ellsworth	\$ 14,877,382	14	\$ 1,077,291	\$0.00



Mason	\$ 175,026,288	161	\$ 1,089,760	\$0.00
Sutton	\$ 311,752,679	286	\$ 1,090,273	\$0.00
Gilsum	\$ 65,452,610	60	\$ 1,093,611	\$0.00
Orford	\$ 148,041,933	135	\$ 1,094,985	\$0.00
Hollis	\$ 1,381,217,675	1,245	\$ 1,109,635	\$0.00
Plaistow	\$ 1,128,090,172	1,011	\$ 1,115,783	\$0.00
Deering	\$ 202,803,043	182	\$ 1,116,449	\$0.00
Wentworth	\$ 93,235,003	83	\$ 1,121,287	\$0.00
Ashland	\$ 252,252,917	225	\$ 1,121,772	\$0.00
Kensington	\$ 355,121,049	316	\$ 1,124,334	\$0.00
Temple	\$ 152,778,135	134	\$ 1,137,334	\$0.00
Hooksett	\$ 2,099,079,668	1,840	\$ 1,140,612	\$0.00
Tilton	\$ 548,672,109	480	\$ 1,143,281	\$0.00
Walpole	\$ 446,640,162	389	\$ 1,147,556	\$0.00
Acworth	\$ 99,239,198	86	\$ 1,148,336	\$0.00
Stratham	\$ 1,416,855,289	1,226	\$ 1,155,504	\$0.00
Columbia	\$ 81,252,762	70	\$ 1,156,129	\$0.00
Canterbury	\$ 284,809,194	243	\$ 1,172,633	\$0.00
Francestown	\$ 195,136,161	165	\$ 1,179,142	\$0.00
Rumney	\$ 168,291,263	141	\$ 1,191,696	\$0.00
Bradford	\$ 225,493,136	186	\$ 1,213,438	\$0.00
Laconia	\$ 2,209,428,939	1,820	\$ 1,213,732	\$0.00
Grantham	\$ 489,016,183	399	\$ 1,224,622	\$0.00
Thornton	\$ 369,053,552	301	\$ 1,226,948	\$0.00
Chesterfield	\$ 522,165,654	425	\$ 1,228,972	\$0.00
Durham	\$ 1,144,424,005	927	\$ 1,234,266	\$0.00
Piermont	\$ 104,629,767	84	\$ 1,241,307	\$0.00

Fitzwilliam	\$ 285,408,775	228	\$ 1,250,312	\$0.00
Sharon	\$ 51,104,854	41	\$ 1,251,650	\$0.00
Chatham	\$ 52,408,092	42	\$ 1,259,810	\$0.00
New Durham	\$ 439,546,636	345	\$ 1,273,199	\$0.00
Lyndeborough	\$ 189,762,320	147	\$ 1,288,971	\$0.00
Ossipee	\$ 705,724,375	541	\$ 1,303,542	\$0.00
Lyme	\$ 377,342,746	289	\$ 1,306,905	\$0.00
Tamworth	\$ 378,272,904	284	\$ 1,333,778	\$0.00
Wilmot	\$ 189,457,622	141	\$ 1,345,007	\$0.00
Brookfield	\$ 106,268,038	78	\$ 1,364,510	\$0.00
Cornish	\$ 183,844,809	134	\$ 1,370,646	\$0.00
Conway	\$ 1,667,614,467	1,211	\$ 1,376,533	\$0.00
Atkinson	\$ 1,034,425,126	747	\$ 1,384,661	\$0.00
New Hampton	\$ 330,025,184	235	\$ 1,402,989	\$0.00
Enfield	\$ 602,987,208	429	\$ 1,404,844	\$0.00
Bristol	\$ 507,813,745	360	\$ 1,411,652	\$0.00
Dorchester	\$ 38,830,253	27	\$ 1,414,066	\$0.00
Salem	\$ 4,870,214,990	3,436	\$ 1,417,528	\$0.00
Lyman	\$ 64,972,957	45	\$ 1,438,728	\$0.00
Sanbornton	\$ 449,207,523	310	\$ 1,450,882	\$0.00
Stark	\$ 65,548,300	44	\$ 1,495,512	\$0.00
Roxbury	\$ 26,570,667	18	\$ 1,518,324	\$0.00
Greenland	\$ 828,005,944	543	\$ 1,525,913	\$0.00
Woodstock	\$ 251,875,507	162	\$ 1,556,517	\$0.00
Hampton Falls	\$ 496,282,592	319	\$ 1,557,405	\$0.00
Croydon	\$ 88,095,230	56	\$ 1,569,206	\$0.00
Lebanon	\$ 2,140,155,707	1,282	\$ 1,669,883	\$0.00

South Hampton	\$ 147,462,227	88	\$ 1,683,551	\$0.00
Dublin	\$ 242,147,350	143	\$ 1,695,235	\$0.00
Madison	\$ 510,087,305	288	\$ 1,768,251	\$0.00
Stoddard	\$ 268,131,678	149	\$ 1,798,335	\$0.00
Wakefield	\$ 1,043,474,565	578	\$ 1,806,007	\$0.00
Clarksville	\$ 49,622,205	27	\$ 1,808,389	\$0.00
Hancock	\$ 276,835,135	152	\$ 1,823,323	\$0.00
Gilford	\$ 1,850,935,091	986	\$ 1,877,159	\$0.00
Windsor	\$ 28,763,968	14	\$ 2,094,972	\$0.00
Washington	\$ 237,462,797	109	\$ 2,170,196	\$0.00
Hanover	\$ 2,489,124,003	1,137	\$ 2,188,395	\$0.00
Nelson	\$ 120,417,303	54	\$ 2,244,079	\$0.00
Shelburne	\$ 63,103,367	28	\$ 2,273,176	\$0.00
Hampton	\$ 3,611,394,855	1,553	\$ 2,325,162	\$0.00
North Hampton	\$ 1,218,018,946	503	\$ 2,422,231	\$0.00
Alton	\$ 1,755,612,953	679	\$ 2,585,853	\$0.00
Sugar Hill	\$ 142,620,280	54	\$ 2,623,143	\$0.00
Monroe	\$ 294,006,475	111	\$ 2,641,805	\$0.00
Franconia	\$ 314,576,648	119	\$ 2,642,613	\$0.00
Seabrook	\$ 2,551,892,073	957	\$ 2,667,753	\$0.00
Portsmouth	\$ 5,800,517,168	2,094	\$ 2,770,582	\$0.00
Meredith	\$ 2,040,970,867	734	\$ 2,780,917	\$0.00
Harrisville	\$ 195,477,517	66	\$ 2,983,023	\$0.00
Groton	\$ 126,551,416	42	\$ 3,044,297	\$0.00
Wolfeboro	\$ 2,171,571,735	712	\$ 3,048,119	\$0.00
Newbury	\$ 740,777,476	235	\$ 3,155,870	\$0.00
Sunapee	\$ 1,276,138,736	381	\$ 3,353,671	\$0.00

Holderness	\$ 754,580,045	222	\$ 3,404,069	\$0.00
Dummer	\$ 66,478,940	19	\$ 3,591,515	\$0.00
Sandwich	\$ 450,363,393	123	\$ 3,654,657	\$0.00
Randolph	\$ 62,063,262	17	\$ 3,743,261	\$0.00
New London	\$ 1,176,641,776	312	\$ 3,770,925	\$0.00
Rye	\$ 2,279,137,359	588	\$ 3,875,359	\$0.00
Center Harbor	\$ 437,575,927	111	\$ 3,941,770	\$0.00
Bridgewater	\$ 367,774,760	90	\$ 4,094,575	\$0.00
Pittsburg	\$ 273,830,883	65	\$ 4,242,809	\$0.00
Tuftonboro	\$ 1,097,957,888	258	\$ 4,256,971	\$0.00
Easton	\$ 69,162,486	16	\$ 4,422,154	\$0.00
Bartlett	\$ 1,083,815,880	244	\$ 4,436,051	\$0.00
Eaton	\$ 107,209,434	22	\$ 4,940,527	\$0.00
Freedom	\$ 535,046,995	102	\$ 5,263,102	\$0.00
Jackson	\$ 417,200,302	77	\$ 5,403,449	\$0.00
Carroll	\$ 332,275,015	58	\$ 5,713,119	\$0.00
Errol	\$ 92,388,058	15	\$ 6,310,660	\$0.00
Lincoln	\$ 904,678,637	133	\$ 6,798,006	\$0.00
Moultonborough	\$ 3,186,434,121	455	\$ 7,008,235	\$0.00
Hebron	\$ 287,545,473	38	\$ 7,492,065	\$0.00
New Castle	\$ 724,101,570	80	\$ 9,029,824	\$0.00
Waterville Valley	\$ 329,692,735	35	\$ 9,379,594	\$0.00
Hart's Location	\$ 13,916,211	1	\$ 13,916,211	\$0.00
Newington	\$ 1,110,583,147	60	\$ 18,503,551	\$0.00
Hale's Location	\$ 79,290,689	2	\$ 42,175,898	\$0.00
Millsfield	\$ 94,464,529	2	\$ 47,232,265	\$0.00

### Appendix D

Table identifies the percentage of districts within an Equalized Valuation Group and reflects Average of Proficiency Achievement in Math/RDG b quartile.

A District is Placed in one of four EVIADM Groupings: <\$660,000, <\$800,000, <\$1,000,000, and >\$1,000,000. A fifth grouping is also established for cities. (Achievement Data from NH Statewide Testing – 2014 DOE)

*(Quartile 1 is Lowest/ Quartile 2 is Second Lowest/ Quartile 3 is Second Highest/ Quartile 4 is Highest)*

Group #1, <\$660,000 Number of Districts 26 in Group 1		Group #2 <\$800,000 Number of Districts 33 in Group 2		Group #3 <\$1,000,000 Number of Districts 55 in Group 3		Group #4 >\$1,000,000 Number of Districts 122 in Group 4		Group #5 NH Cities Number of Districts 13	
Q 1 (lowest)	19 Dist 73%	Q 1	7 Dist 21%	Q 1	8 Dist 14.5%	Q 1	23 Dist 19%	Q 1	8 Cities 62%
Q 2	3 Dist 12%	Q 2	12 Dist 36%	Q 2	18 Dist 32.7%	Q 2	26 Dist 21%	Q 2	3 Cities 23%
Q 3	2 Dist 7.5%	Q 3	10 Dist 30%	Q 3	15 Dist 27.3%	Q 3	32 Dist 26%	Q 3	1 City 7.5%
Q 4 (highest)	2 Dist 7.5%	Q 4	4 Dist 12%	Q 4	14 Dist 25.5%	Q 4	41 Dist 34%	Q 4	1 City 7.5%

Combining Quartiles 1 and 2 into one total score. Group 1 has 85% in the low achieving bracket, while each group thereafter ( 2,3,and 4 ) reflect declining lower Q 1+2 percentage numbers as equalized valuation per student increases.

- Group 1 = 85%
- Group 2 = 57%
- Group 3 = 47%
- Group 4 = 40%

Further. by combining Q3 and Q4 (high ach). data identifies that proficiency #'s significantly improve in wealthier districts.

- Group 1 = 15%
- Group 2 = 42%
- Group 3 = 52.8%
- Group 4 = 60%

Group 5 information indicates that cities are more likely to have high numbers of low performing students regardless of equalized valuation.

(Keene and Portsmouth being the exception according to this data)

There are many factors aside from community wealth that impact achievement, but it appears that community equalized valuation is a valid indicator of achievement. In Group 1, only 4 of 26 districts show achievement in Q-3 and Q-4 (15%).

Prepared by Rep Rick Ladd, October 8, 2018 for Committee to Study Education Funding and the Cost of an Adequate Education – HE356, 2017

**Appendix E**

*Meeting Minutes, Attached*

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB 356-FN, Chapter 190:1 Laws of 2017)**

September 5, 2017; Present: Reps. Grenier, Weyler, Cordelli, Myler, Umberger, Leishman, Ladd, Senator Birdsell.

Meeting opened at 1:00 PM in room 209 LOB

We did not have a quorum at our last meeting so we need to repeat that informal action. Rep. Grenier nominates Rep. Umberger to serve as Chair, seconded by Sen. Birdsell . All in favor. Weyler for Clerk motion by Leishman second by Cordelli, all in favor.

Caitlin Davis from Dept. of Education had been asked to come and brief on numbers. She had several handouts.

First handout was dated Jan. 29, 2016, Data as of Dec. 23, 2015. It showed ten years of enrollment, STATE SUMMARY REVENUE AND EXPENDITURES; STATE AVERAGE COST PER PUPIL; A TABLE OF COST PER PUPIL BY DISTRICT, 2015-2016; followed by a table ENROLLMENTS BY DISTRICT in 2005, then 2015 ENROLLMENTS; then CLASS SIZE by District, 2015: then VALUATIONS, PROPERTY TAX BY DISTRICT, 2015-2016

A discussion of ADM vs. enrollment. One is a point in time the other is an average over time. Revenue sources are from DOE 25, Statewide Education Property Tax, (SWEPT) is calculated by DRA, raised locally, kept locally, is reported as a state revenue, in addition to Equitable Aid (Adequacy), Building Aid; Tuition and Transportation; Food and Nutrition; or Drop-Out Prevention. Federal funds are also included in reported revenues and include: IDEA; Mental Health; Food and Nutrition; Medicaid; and Title I. This only showed moneys spent by district and does not encompass funds spent by DOE to support education. For example with Title 1, \$40Mil, \$400,000 (or 1%) kept by DOE to manage grants. DOE spends approximately \$5 million on assessment tests

**Rep. Ladd:** Are any of the Federal funds in jeopardy (if we do not administer assessments as required by ESSA)?

**Ms. Davis:** There is about \$70 million in ESSA funds that NH DOE receives, between Titles I, II, III, IV, and X, Federal Assessment Grant and REAP that might be. Per federal law in order to receive these funds, we are required to administer assessments in grades 3 through 8 and 11 Adequate Education Formula gets a CPI increased every biennium, less health costs. Last year it was a 2% increase. ADMR that is used to calculate the payment runs one year behind.

ADMR vs. ADMA. ADMA is where you actually attend the school; many high schools have students from out-of-town. ADMR is where your residence is.

We next reviewed a 3 page **LBA Fiscal Brief** from January 2017. It showed the differentiated aid as well as half-day rates and stabilization grants. It was pointed out that a student cannot get all 4. If that student already has F&R, ELL, or SPED that student could not get Third Grade reading money. If the residence of the pupil does not get SWEPT no money goes to that school. There are 36 towns where the SWEPT is more than the town needs for education. The town keeps the extra, but does not get the Adequacy grant or the Differentiated Aid.

**Rep. Grenier:** Are all these differentiated aid amounts included in adequacy?

**Ms. Davis:** Yes, to the residence of the student; we do not track how it is spent.

A discussion ensued as to the fact that Free and Reduced (F&R) funds were not accounted for or assigned to any specific programs.

What about Home-Schooled students who attend one or more classes at their local schools?

**Ms. Davis:** If there is excess appropriation in the adequacy line, then the resident school can get 1/12<sup>th</sup> of the base per pupil amount for each class they take.

**Rep. Leishman:** Do you audit these funds?

**Ms. Davis:** It is a federal requirement to audit all federal funds, F&R applications are collected and there is a cross check with the federal aid programs such as SNAP, special education is cross checked with the IEP database.

**Rep. Leishman:** Do you look at the parents before approving F&R?

**Ms. Davis:** Yes.

**Rep. Myler:** How do you make sure?

**Ms. Davis:** We track all student records by the SASID number (student ID). The LBA pages also have an update on the stabilization grant from the 2012 original. There were two significant changes in the formula which resulted in the stabilization grant the F&R student is no longer weighted, with higher amounts going to LEAS with higher F&R percentages it's just on a per student basis and fiscal disparity, ranked districts in octiles, based on equalized valuation and median family income and provided additional funds for the lowest two octiles. When these two things were changes in the formula, the stabilization grant was established, based on the



decrease in aid to towns and cities as a result of the changes, which remained from 2012 through 2016. In 2017 the 4% annual reduction of the stabilization grant begun.

Payments of adequacy grants to districts are done with two 20% payments followed by two 30% payments; 2018 Grant amounts will be finalized by October 1<sup>st</sup>.

**Rep. Ladd:** In 2012 the lowest two octiles got 48 million; do you have the old formula? That group got put in the hold-harmless category with \$107 million. The money was for a different reason; Rep Ames tried to restore the old formula.

**Ms. Davis:** Referring LBA Fiscal Analysis on KENO, dated July 2017, it describes the KENO-Kindergarten bill. Current law for adequacy kindergarten kid attending a public school kindergarten program are counted as half, regardless of full or half time attendance. This applies to the base student amount and also the differentiated aid. Attendance is not required by the child, although districts are required to offer at least a half day program. Presently 80% of districts offer full day. 2019 state will pay an additional \$1,100 for kids that attend a fulltime program. That amount will go up in 2020 if KENO earnings go up. The local businesses that offer KENO will get to keep 8%.

We next heard from Amy Clark, who is the DOE person in charge of Building Aid.

**Ms. Clark:** Only Hinsdale has been approved for building aid in FY18. We pay from 30-60% of a districts building aid, most get 30%, the average is 38%, and that gets paid over 20 years. The history of this money shows that in 2008-09 we shorted schools about 5%, and then in the 08/09 State budget, the legislature authorized the sale of state bonds to fund building aid. We now have restrictions in law to prevent this practice. Also, the 2013 changes include paying 80% up front so we no longer have a tail like we do now. Ms. Clark had passed out a ten page titled **School Building Aid Summary**. We now have 16 projects that have filed a building aid application. The total of their requests for construction/reconstruction is \$234 million, with \$84 million obligation for the state. The Public Infrastructure Fund, using the 2017 surplus is estimated to have \$8.5 million for life safety issues, security improvements, and fiber connections. This is just an estimate and we won't know how much, if any, until late this year. The federal E-rate program grants 0-80% of costs to bring fiber to schools depending on F&R lunch rates. If we are able we may get 10% from the state, and another 10% from the feds. NH

tax payers set aside money for this program in their phone bill, and we do not use all the money we put in it.

Chair announced that at our next meeting we will invite Carl Ladd from the Superintendents' Association. He is the former Superintendent from Groveland. We will also hear from a Superintendent from a small district and one from a large district, and hope to have someone who can explain Claremont. The minutes of August 28 were approved with the correction of adding Rep. Wyler to the list of attendees.

**Next meeting will be at 1:00pm on 9/18/17.**

Meeting adjourned at 3:05.

Respectfully Submitted:

Rep. Kenneth L. Weyler

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB 356-FN, Chapter 190:1 Laws of 2017)**

September 18, 2017; Present: Rep's. Weyler, Myler, Cordelli, Grenier, Umberger, Senator Birdsell.

Meeting opened at 1:00PM in room 209 LOB

Chair called the meeting to order and stated that she had asked to bring two School Superintendents to our meeting, one from a large district and one from a small district.

John Freeman was the Superintendent from the Pittsfield School District, which only has about 600 students.

?Umberger; Where is Pittsfield?

Freeman: It's about 25 minutes away from here, north from the Epsom traffic circle. (The Chair had sent questions for the Superintendents to answer)

Freeman: You asked what challenges we face in funding. We have managed to keep the budget stable at about 10 million. The tax rate has increased only \$1.05 in ten years. We are losing about 4 students a year. We have several Apartments in our district. We work to control our budget. We have had private and federal grants over the last 6 years. Some costs are impossible to control, heating oil for example, facilities costs, health insurance, retirement. We have the third lowest starting salary, about \$30,000. We have one third turnover, and 60% have five years or less experience. Five to eight years is when teachers have the most benefit from experience. We pay paraprofessionals \$8.90 per hour. We try to personalize our Special Education. We have increased by 12 to 13 students there. That is a 30% increase at \$721,000. I have four openings in that department, so must send some out of district, which is more expensive. If I could hire a teacher I could have more one-on-one. Our tax rate at \$32.25/thousand is in the highest third. Of that \$16.32 is for schools, which is the eleventh highest. (Note: In the chart given by the DoE, there are at least 40 districts with higher costs per pupil.) Our tax base is \$430,000 per pupil. (Note: The figures we have are a base of 270 million divided by 556 students yielding \$485,000 per pupil.)

? Umberger: What effect on your curriculum?

Freeman: We can't fill the Shop, or Tech requirement. We have a part-time fill in from out-of-district.

?Umberger: How many do you send to CTE?

Freeman: We used to send 16 or 17; now we send 25 to 30.

2.

?Weyler: What are your costs per pupil? Answer: I don't have that. We did get a grant of about \$2,000 per pupil for high school.

Ladd: reading from a chart; You're at \$17,039 per year, state average is \$19,501.

? Myler: How long have you been the Superintendent?

Freeman: Since 2008; I was a principal in Pittsfield before that.

Myler: You improved the system and did a turnaround using outside money.

Freeman: Had a one year plan from Nelliemae, that led to a six year grant.

Ladd: Your F&R count was 59.15% in 2014; in 2013 it was 61.9%. Any correlation?

Freeman: It's a small sample, and it bounces around too much.

Myler: Under performing in property poor districts shows the need for outside help and leadership is important. I agree with Rep. Weyler that we need accountability. You just can't pour money into it.

Ladd: Small districts with lower populations will always have higher costs per capita.

Freeman: We have empty classrooms that we are heating.

Birdsell: The stabilization grant will be reduced 2 million in the two years. If a district loses \$85,000 a year, that equates to a teacher at about 65-75,000 per year.

College acceptance rate was 66% to 2013, now in 2016 it's 83%. In 2013 scholarships were \$8,660 in 2016 they were \$14,500.

Grenier: That \$85,000 per year is progressive. We take 2 million in 3 years, \$900,000 in stabilization.

Freeman: Our SAU had a reduction back in 2005 to a single district. We are open to consolidation, and that may be likely. We are in our third year of full day Kindergarten. We got off to a poor start.

?Umberger: Does Kindergarten reduce SPED and help reading levels?

Freeman: Not yet. We are only into our third year, I can't say we have seen any change

?Birdsell: With the state only paying for half day, how did you fund Kindergarten?

Freeman: Property Tax, we do know what we need to do to improve social skills. We need a food pantry for weekends, and high school scholarships. Districts only control the student's 20% of the score. The rest is family. Median income lines up closely with academic scores.

?Umberger: What is the closest high school that you could combine with?

Freeman: We contacted 6 other schools. Five had no interest. The other would have been a higher cost. The board made a similar study with the same conclusion.

?Umberger: If you were King for a Day, what would you change?

Freeman: Adequacy needs adjustment, it varies for the place and for the kid.

3.

Ladd: Adequacy is based on per capita, formula allows \$300 for transportation, you're at \$700. How does the formula affect you?

Freeman: I didn't look at it.

?Ladd: Should we separate transportation out?

Freeman: That makes sense.

?Ladd: How difficult is it to offer AP classes?

Freeman: We do not offer any, except VLACS. For the last ten years some of that has been available at CTE.

Grenier: I represent Sunapee. We have less than 600 students, yet we offered AP in History and English.

Ladd: If we still had the old Fiscal Disparity aid, I think that you could offer AP courses.

Next we heard from a larger district:

Mr. Winfried Fenerberg, was in his third year as Superintendent of Kearsarge. The District consists of the towns of Bradford, Newbury, New London, Springfield, Sutton, and Warner. We have 5,500 bus miles per day, some routes take two hours. We have 4 elementary schools, located in 3 towns, Sutton, Newbury, and Warner. We have pre-school in New London, the Sutton Regional Middle School, and the Sutton Regional High School. Some of the elementary schools have less than 100 students; we have 560 high school students. The other schools have 170 to 340 students. The population is stable, the decline has flattened out. We expect only less than 100 loss in the next ten years. We send 50 kids to CTE in Concord. That is our longest bus ride at 45 minutes. We also offer tech classes and performing arts. The 9<sup>th</sup> and 10<sup>th</sup> grade curricula are very prescribed. We try to offer personalization. We have a Dartmouth-Hitchcock partnership for Health Science careers, apprenticeships after school.

?Ladd: Have you looked at your CTE students taking math classes there?

Fenerberg: We looked at English, not math. In the past we had collaboration with Claremont and Newport, now just CTE. We start the budget process early. It's a 40 million dollar budget. Being conservative we had a 1.6% increase in the first round. We will have a SPED increase. We have little teacher turnover despite paying 75% of what Mass. Pays. We are at the 65percentile in compensation. We try to be above average. We have some at PhD level. We are now hiring some new grads; it's a good mix. We get F&R funds for three of our schools, but not New London. New London and Newbury have it easier, but Sutton struggles.

4.

?Umberger: How are costs allocated?

Fenerberg: We changed to be 60% ADMR and 40% Equalized Valuation. We changed from 75-25. All 7 towns voted for the budget, none for the default. We had both the School Board and the Budget Committee with identical budgets. There are 9 members on each of those, the larger towns have 2 seats.

The district competes with the towns for money. It creates a conflict. We have increasing demands on Public Schools. We serve all kids. It is unrealistic to expect 30 students per class. We have from 8-26 depending on needs. We need to get the students career ready. We are working on STEM and STEAM. We are innovative, we combine art and geometry; hands on work to build bridges. Graduation rates are almost 100%, 82% go to four year colleges. We do not need 100% going to college, there are other careers. Our school year is 189 days. Nine of those are for teacher training. When I was in Hampstead we only devoted 4 or 5 days to training.

The state should support our facilities. Our newest school is ten years old. There are safety issues and new standards. One should enter a vestibule and be buzzed in after identifying. We have one elementary school that cannot be reached by cell phone. We need a tower. Cat Aid is an issue. We only get 70% of the formula. Fortunately we have trust funds to be ready for a \$300,000 SPED student. I know that you don't want us to ask for more, but \$3,600 per student is not enough. Don't keep cutting the pie. I hear the same issues from colleagues.

?Umberger: What would you do if you were King for a Day"?

I would like at least half of the real cost for adequacy. Private schools are neither the answer nor vouchers. We need more money.

?Cordelli: With the increasing demands, is negativity very far away?

Fenerberg: Student needs are increasing. We have the impact of socially disabled or mentally disabled. Some are deep rooted and will lead to jail.

?Umberger: I am asking both of you about VLACS, and your reaction to VLACS students?

Fenerberg: It is excellent to reach out, but it is not work for all. They need social interaction with teachers.

Freeman: We have some courses they can take on the computers in the Library. The Librarian keeps them at it. It's not for everyone. It helps where a student has completed 10 of 11 competencies. He only has to complete the last one.

?Umberger: What about Running Start or Early College courses?

Both Superintendents approve.

5.

Fenerberg: We did away with quarters and semesters. When you're done, you're done.

?Myler: You have a huge district, with both extreme wealth and extreme poverty. How do you deal with the disparity between New London and Sutton?

Fenerberg: It's a lot of work. We are not seven separate towns. We have flex assignments even in elementary we have SPED from all 7 towns.

?Cordelli: So New London has the only preschool?

Fenerberg: It's for all towns. We have doubled the population, we need early start. We have 2 programs for 3 year olds. The 4 year olds have school from 11 to 4. We feed them lunch. We have full-day for 5 year olds. Our SPED is low at 10.8% the state average is 17%. Parents drive an hour for a 3 hour program, it's not baby-sitting.

?Ladd: Is the preschool open to all?

Fenerberg: The program is for SPED, but non-SPED can tuition in. We strived for 50/50, but it's more like two thirds non SPED.

?Ladd: Our school infrastructures average 55 years old, for Cat Aid you have an account, So you have 2 million balance, John has 40cents. What does John do?

Fenerberg: It's hard to imagine. We cannot go into deficit.

We next heard from Assistant Attorney General Ann Edwards, who gave us a handout, and described some school funding cases.

Edwards: I have been with the AG for 20 years. In 1999 AG McLoughlin tasked me with looking into school funding. I have been at it ever since. In 1997 Ed Funding cases were rampant across the country. The legislature had hesitated to define adequate education. Then we had infrastructure cases, then SWEPT and donor challenge. A phase in was not acceptable. There are 4 major things on my pages.

Property Tax: Towns must do a revaluation every 5 years. The Londonderry case, a 10% hold back, the state must pay for adequacy.

Since then the Dover case was fairly narrow. There was concern that dedicated money was not going to schools so collars were put on, but collars change over time. Stabilization is more than adequacy so towns cannot sue for that.

?Grenier: Advanced Placement, (AP), versus no AP. Can that be challenged?

Edwards: No. It's not part of adequacy.

?Birdsell: Can a town not receiving a stabilization grant, and no collar, sue because another town gets more money?

Edwards: No.

6.

?Cordelli: We defined adequacy, but the Claremont two said it was not.

Edwards: At that time the definition was done by the State Board of Ed. Court said it should be the legislature.

?Ladd: Disparity from 2010, weighting for need or income or other, was changed in 2012. Can towns unable to provide the education without that money come back to court.

Edwards: You have to look at current circumstances. Disparity Aid is an addition, so no constitutional claim.

?Ladd: Is there room for a suit due no building aid?

Edwards: There is a concern, but buildings were not included in adequacy.

Ladd: Superintendents and Nurses were not included in adequacy.

Edwards: That was a legislative decision.

Cordelli: We have issues about assessments. The state needs to say "We deliver inputs, we need to see outputs. We need assessment portfolios." The state needs to see where grads go.

?Birdsell: Didn't we say that we would put money into building aid?

Ladd: We put 8.5 million into an infrastructure fund.

?Umberger: In RSA 193:E definitions. Now that ESSA is here is that a parameter?

Director Davis, DoE: No.

?Umberger: Standards of measurement in RSA 196:C we may get to it in different ways.

?Grenier: Can we add increments for Charter Schools without a violation?

Edwards: Yes.

There was further discussion which was not all written down.

?Umberger: Will the AG help when we define adequacy?

Edwards: Yes. You might retain an expert, but if we help it is less public.

Myler: The first formula called for a teacher with 3 years experience, now it is 5 years. SWEPT is old. Maybe there is more money now?

?Ladd: Can we target adequacy?

Edwards: You are the legislature.

?Ladd: Can we change differentiated aid?

Edwards: It is part of adequacy.

Public comment from Rep. Gauthier: I appreciate what is happening. Are you taking money away/

Umberger; We are a long way from that conclusion. No decision has been made.



7.

Next meeting Oct. 2 at 10:00. We expect Mark Joyce, Rep Myler would like to see about inviting ECS to see about Ed formulas. Meeting adjourned at 3:25

Respectfully submitted,  
Rep. Kenneth L. Weyler

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB 356-FN, Chapter 190:1 Laws of 2017)**

October 2, 2017; Present: Rep's .Weyler, Cordelli, Ladd, Umberger, Leishman, Sen. Birdsell.

Meeting opened by Chair Umberger at 10:06 in room 209 LOB

We do not have the corrected copy of the 9/18/17 minutes available to approve.

They will be distributed later

Our guest was Dr. Mark Joyce, former head of the School Administrators Association.

Dr. Joyce gave out a seven page piece, the last 3 pages of which were Justice Brock's Bar Journal on the Claremont decision. The rest was history of the Claremont law suits, and resulting law changes. Dr Joyce summarized:

The change from 2010-2011 readjusted the formula. It dropped the "at risk" money from 2007, and changes the Free and Reduced (F&R) piece so that a school with over 48% F&R only got a per student stipend rather than the whole school population. Disparity Aid targeted the bottom quintiles. Dropping that has a negative impact. Doug Hall has charted out the impact on those communities.

? Weyler: Is there a reduction in spending in accordance with the decline in enrollments?

Joyce: NO. There is no uniform cost. Loudon cut 90 teachers in ten years. I chaired a School Board that had 60 kids in K-6. Teachers must teach multi-grades. SAU 7 has two high schools with less than 100 students in Pittsburgh and Colebrook there is as much as 50 mile commute. The three largest districts try to center the High school. Then there are increases in health insurance, fuel, retirement. If we can keep a school budget to a 1% increase, it means that we have eaten at least 3% by reductions, because our costs were going up 4-5%.

Ladd; Superintendent Freeman said the he could not afford Advanced Placement (AP) courses. What did we fail to put into the formula? I know that we left out Nurses.

Joyce; The original formula said to divide the 9<sup>th</sup> grad students by 30, and that would be the number of teachers. That is not possible; there are too few places where that works. There have been some improvements but the formula does not cover capital improvements or building aid. There are excess SPED costs, but CatAid is not fully funded. There are glaring cost increases. There is no inclusion of Administrative costs.

Ladd: Transportation allows \$300 per capita with none for high school. DoE reports that schools spend over \$700 per student; that's a big gap.

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Joyce: No allowance for the freezers and ovens in Home Ec. or when ConVal and Kearsarge have that long trip sending students to Concord.

Weyler: The original formula was intended to fund a minimum education.

Leishman: What's the impact of digital learning?

Joyce: I Was one of the original founders of Virtual Learning Academy Charter School, (VLACS.) It is a good partner; students may take classes they couldn't take before. It shows the wisdom of the state to keep that going. It has received national recognition; and allows students in small and rural areas to take advanced courses.

Leishman: In Peterborough we wrestle with the transportation problem. Where can we get more money?

Joyce: There's a study in here from Dartmouth suggesting a sales tax. I think we may be facing a cap on property taxes. Mandated SPED spending means we shift funds from other sources. Adequacy has not escalated, but costs have. In the '70's and '80's the original law suit was settled with the Augenblick Formula, but that covenant was broken.

Weyler: By constitution all gambling money must go to education. Why aren't the schools getting behind casinos and the KENO vote? We set up a refund for State Wide Education Property Tax, (SWEPT,) but few bothered to apply.

Joyce: SWEPT needs a huge homestead exemption, so we can hit the second home owners.

Umberger: These are all local decisions, and they cause problems. Why should we reward a town for keeping a school open with too few students? They could be sent elsewhere. Pittsfield has this problem.

Joyce: Pittsfield is an average size district.

Umberger: These are local decisions that are causing problems. Larger districts can react differently. The Claremont decision did not specify any different treatment for any specifics.

Joyce: Locals are spending 70% of the costs including SWEPT. Where the state spends 60-70%, they are in control. Moving a student to a different school brings no savings in adequacy. We are proud of our local control.

Umberger: That is the problem with the formula.

Joyce: Building Aid gave incentive to reform by paying more with more schools participating in a COOP. The state was prudent in the same way when promoting the Community Technical Education Centers, (CTE's).

Ladd: We did use Building Aid to bring consolidation; but now we don't fund building aid. Poor towns cannot afford bonding. We need Disparity Aid. Many towns have 40% poverty. Is there any benefit in more F&R?

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Joyce: If it's on top of adequacy it can bring benefits.

Weyler: Not unless we can have accountability for F&R funds. There's no proof that they do any good. Freeman made the statement that scores show close alignment with family incomes.

Joyce: All schools are required to raise scores. Beech St. has had some progress, and some others.

Umberger: No one argues that there are obstructions. Title I requires accountability, but F&R does not. Why not targeted aid? New Hampshire is number one in average income. Where is all this poverty?

Joyce: F&R students cannot be singled out. We have had to use a proxy since 1965. When you are growing up hungry, it is hard to learn.

Birdsell: You propose a bigger property tax, what homestead exemption?

Joyce: In the files, Gov. Peterson made that proposal with a \$250,000 exemption. There was challenge from the Local Government Center. It should be a local vote. We are looking for uniformity.

Weyler: Demographics would seem to rule against any uniformity.

Cordelli: I have the California Study to share. They increased spending 15% to target the achievement gap, money directed to the schools. But scores were unchanged.

Joyce: Solid research shows California doing poorly; huge enrollments in Kindergarten, but underfunded.

Cordelli: In ratings of standards, California is near the top, but I'm not sure what's going on.

Ladd: There's a gap in communities. My community has job losses, incomes are not increasing. We have an achievement gap. The school is falling short of the challenge.

Joyce: What is affordable? I suggest you invite Doug Hall, he has some research.

Chair Umberger wished to pursue the suggestion. Rep. Cordelli provided a web site.

Chair is also pursuing a suggestion from Rep Myler to contact Education Commission of the States, (ECS). She has had discussions with a Kate Wolf. They are open to whatever we want, but may not be able to attend the meeting. What do we want them to do?

Weyler: Give us the states that have improved the achievement gap, and how.

Birdsell: Look at the data first.

Ladd: Most states are similar to ours. We need accountability. We are spending rock bottom, but we are tops in achievement. Give the locals credit.

Umberger requested Director Caitlin Davis, DoE to show what is actual local expenditure excluding all state and federal funds.

4.

Dartmouth Political Resource Shop has offered help. The Chair has asked them to look at how other states have handled differential aid. We may also hear from Doug Hall, NCSL, ECS, and CSG.

Next Meeting October 30 at 1:00

Adjourned: 11:26

Respectfully Submitted,

Rep. Ken Weyler

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB 356-FN, Chapter 190:1 laws of 2017)**

**October 30, 2017:** Present: Rep's. Umberger, Weyler, Cordelli, Myler, Grenier, Ladd, Sen. Birdsell. Rep. Leishman arrived at 1:59.  
Meeting opened at 1:00 by Chair Umberger in Room LOB 209.

Minutes for Sept 5; motion by Rep. Cordelli to accept, second by Rep. Ladd; passed.  
Minutes for Sept. 18; motion by Rep. Cordelli to accept, second by Ladd; passed.  
Minutes for Oct. 2; motion by Rep. Cordelli to accept, second by Sen. Birdsell; passed.

The Guest speaker for today is the Hon. Doug Hall former Finance Comm. Member. Doug mentioned that this was the first time in eleven years since he was at the Center for Public Policy that he had an invitation to testify. He had studied the effects of the stabilization fund on towns funding for schools. Hall passed out copies of the study, explained the concept and took questions. He would also add another \$800 to "other aid."

?Umberger: Is transportation aid included in your study? Ans. Yes. In '17 \$556.

Ladd: Adequacy only uses \$315 per student.

?Umberger: What about Capital, like a new furnace. If it has a life span beyond one year or five years.

Hall: I am working with the concept of weighted pupils, like the Augenblich Formula, which was to help property poor towns.

?Grenier: Is this in addition to adequacy? Ans. Yes, but just for weighted pupils.

I used \$925 million for adequacy, \$35 million for building aid, tuition and transportation \$7.4 million, SPED \$65.6 million, drop-out prevention 1.0 million. Hall then went over his chart to show how some poor towns would be eligible. Some questioned how the extra money would be spent.

?Ladd: Is the basic premise that there will be compound weighting? Ans. Yes.

Ladd: We changed the Free and Reduced,(F&R) distribution in 2011 to make it only on a per student base rather than a percent of each school.

Weyler: You show a student getting all four of the differentiated aid, but if you get the other three you do not also get third grade reading piece.

There followed a discussion of why the stabilization moneys were decreasing over time, 4% per year for 20 years.

Grenier: Well the more state dollars, the less from property tax.

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Hall: I look at my town of Chichester, if we could add to the tax base with "phantom tax base" we could help to bring equal funding.

Ladd: I am trying to figure out how this formula helps. I don't think it will.

Hall: Well you could create a formula by grade. Some costs are fixed, others may have to change.

Umberger: Someone else wants all the state education money in one pot.

Hall: Building Aid should have been folded in. Building Aid worked through 1965 at encouraging towns to form coops and regional agreements.

Grenier: We are spending three times the cost per student now. The state can't fix all these problems. It's too expensive.

Hall: The towns that have wealth can afford it.

Ladd: I oppose the per capita distributions like transportation. The rural towns may have three kids on a bus, not the 25 in some towns. Should it be per capita and other separate programs? The short answer is yes. Some of this is confounded by the facts that some towns would put the cost of crossing guards in the school budgets while others would have them in the municipal budget. How do you compare?

We next heard from Stephan Hamilton, Director of the Municipal Section of the DRA. He passed out a paper showing State-Wide-Education-Property-Tax, (SWEPT.) There are 234 towns and cities, and 25 unincorporated places. This is what causes some of the alphabetizing changes from list to list. All property that is not utility is taxed to yield \$363 million total. On Dec. 15 the DRA tells communities how much it will add to their tax rate adjusting for Equalized Value. On the last page we have to calculate Penacook in the City of Concord, and you will see the Loudon offset. There is also some volatility in the ADM.

Birdsell: What is the ratio column?

Hamilton: That is the adjustment we make because most towns evaluations do not align with market values. Some valuations are high some low; so we make an adjustment.

?Leishman: DoE was asked if the F&R money was spent to help poorer students. Do you check to see if they are spending where they say?

Hamilton: We don't. We take them at their word. We process 6,500 municipal reports.

3.

Next, LBA Mickey Landrigan handed out three spread sheets. One was alphabetized by town name, one sorted by average preliminary grant per ADM, and the third by Average Total Preliminary Grant per ADM

There were some surprises pointed out. Berlin gets \$10,307 Average Total Education Grant per ADM. Many towns got zero.

The Chair, and Rep. Myler, are communicating with the Education Commission of the States, (ECS). We will be inviting them to come and speak to us or at least send us some information.

Rep. Cordelli offered the DoE 2016 data including Federal money.

Hall: Caitlin has all that data by district.

Umberger; We may call on her later. We will be getting into Title I and so on. ESSA was approved by Congress on Sept. 15. They are now into rule making.

We will next meet on Nov. 27 at 10:00 AM, here.

Committee adjourned ay 11:30

Respectfully submitted

Rep. Kenneth L. Weyler



**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB 356-FN, Chapter 190:1 laws of 2-017)**

**November 27, 2017:** present: Reps. Umberger, Weyler, Cordelli, Grenier, Myler, Ladd, Sen. Birdsell. Rep. Leishman arrived after another meeting.  
Meeting opened at 10:05 by Umberger in LOB Room 209.

Minutes for Oct. 30; acceptance moved by Rep. Grenier, second by Cordelli; passed. Chair passed out a letter from Jim Cianci, and some handouts from ECS.

The guest speaker for today is Director Caitlin Davis from DoE. Her first handout was dealing with Catastrophic Aid, now relabeled Special Ed Aid. The first page showed the formula and how it is pro-rated. The second page showed how the numbers had varied over the time from 2000 to 2017. The rest of the pages showed the breakdown for 2017 by town and district. For 2017, the total entitlement was \$30,796,051, but appropriation was \$22,230,003.

? Umberger. Is this money from the ETF? Yes, and at Year End we also total up all services for individual services: Speech, O.T., physical T., Out-of-district placements and one-on-one.

? Weyler. Do districts include some of the money that came from Medicaid to Schools in their calculations? It may be, they are the payer of last resort.

The state averages about \$15,000 for CatAid payments. You see in the example on page one the state paid \$27, 718.80, while the district paid \$72,126.20 for the almost 100,000 bill.

?n Weyler. Why are'nt the numbers for each district shown on the district pages?

Davis: Because of NSize. If the number is less than ten it is too easy to figure out who the individuals are.

?Umberger. Why the number 936 and then 844? Ans. The 936 includes the 844 who Are entitled to CatAid, but you must then add the 92 who also exceed the 10x for 100% repayment, however, that is also pro-rated.

Ladd: The actual cost for 28,000 SPED who do not get CatAid is not reimbursed. The cost of transportation for some of these therapists is not paid either.

Weyler: We could fully fund SPED Aid if we used the Stabilization fund.

?Umberger. Why have SPED costs gone up so much? Ans. You'd have to ask the superintendents.

2.

?Ladd. How can we assure the out-placement costs are not bloated? Davis: The DoE sets allowable rates, and the state does financial review and audit.

?Umberger. This 22.3 million is from the GF not from the ETF? Yes.

?Birdsell. So the property tax payer is on the hook for the unreimbursed \$ in the formulas? Ans. Yes

?Myler. So the district gets reimbursed partially for the money spent the previous year? Ans. Yes we are always a year behind.

?Ladd. How does the per cent of CatAid compare to the per cent of total SPED? (I did not get the answer recorded)

The next handout with a map on the front detailed the Career and Technical Education Centers showing where the \$7,400,000 of transportation and tuition money goes. There is also \$2.5 million in the Capital Budget that gets disbursed to the CTE's in rotation. Rep. Ladd mentioned that he was on the Advisory Commission for CTE. Some students are also tuition to CTE's in Vermont.

?Cordelli. Where are the Agricultural CTE's? Ans. Don't know the shading makes it difficult to see. I think there are two.

So a sending district is eligible for 40% of the cost of tuition and transportation, but you can see that is also prorated to about 75%. Now understand that if a district is offering CTE to their own students, they do not get any of this money. Concord, for example, has a CTE, so a Concord student attending is paid for by that district.

Umberger: Milan sends two students to Berlin CTE. The transportation is paid 100% but the tuition is prorated, see the last page.

?Umberger. How many CTE students? Ans. About 2,000.

Myler: The travel time to the CTE is lengthy in many cases, and that cuts into instructional time.

Grenier: We send Lempster students to Fall Mountain regularly, so do we get transportation money for the CTE students? Ans. Don't know, probably not if that is their regular High School.

?Ladd: Is Perkins money involved? Ans. We get 5 million of Perkins money, and it can go for equipment. We are expected to keep the Level of Expenditure to match. We can use the Tuition and Transportation money for that match, but if you don't keep up the match level then you get zero.

?Ladd; So, no provision if the enrollment goes down? Ans. The feds might consider a 90% level but that's not settled yet.

?Ladd: Does Vermont do the same? Ans. I have no idea, they are different.

3.

Umberger: I am concerned by the travel time. Also, can a Concord student bump an out-of-town student in the CTE? Ans. It varies by program and student.

Ladd: On our commission we are spreading some programs to sending H.S. and freeing up the space for students in CTE. We moved 5 from Bradford to Woodsville.

Grenier: Because of all the travel, students from Sunapee going to Claremont won't get enough credits to graduate. What can we do about that?

?Umberger: What other funds are we spending from outside of the ETF?

Ans. We have \$725,000 for dropout prevention. It is usually in the match for the Perkins money for the CTE. Some can be used for night programs in a tech setting. Perkins funds were cut in 2000, we used to get 2 million for dropout prevention. The state match for Free & Reduced Meals is again Maintenance of Effort. It was set in 1979. So we get 40 million for our 1 million. Pennies by the time it gets here. We also get 2 million that the state pays for the assessment, the tests that the students take.

?Cordelli: How are the Free and Reduced students calculated? Ans. We get \$1 for each Free kid, and 80 cents for each reduced kid.

Cordelli: We used to get more money when the population of a school surpassed 40%, we got paid for every kid.

Ladd: This way allows for more flexibility in the fed programs.

The next handout deals with Federal Aid Grants to LEA's. The first several lines labeled Impact Aid deal with Title I, then Title II down to English Language Acquisition, which is Title III, then Homeless Children and Youth is Title X under NCLB or Title IX under McKinney-Vento. The Special ED and Infants come under IDEA, and then the career lines are under Perkins. The Free and Reduced Meals are not here, they come under the Dept. of Agriculture.

Their 2016 is our SFY 17. The '17 estimate is for our SFY '18. You can see we are having some reductions.

Ladd: They give us \$126 million and they control everything.

Myler: 80% of DoE staff is paid for in fed funds.

Davis: We have 300 staff at DoE, and almost 150 deal with the Adult program, Voc-Rehab. The program is to give adults access to training. The next pages detail district grants.

4.

?Umberger: Why that small amount for Albany? Ans. They do not have schools, you will see some explanation later. Title I is for educationally disadvantaged students, four different programs. DoE gets 1% to manage the programs, 7% for School Improvement Grants. These are judged by lowest 5% of test scores. The other 95% get regular Title I.

Ladd: Only 3 High Schools get Title I.

Davis: Districts decide which schools get it. They send applications to DoE requesting such things as a Reading Tutor. No Application, no money. You get monthly reimbursement when you send in the invoice. There is an A-133 Compliance Driven Audit.

?Ladd: What are the points for weighted need and what are the admin costs, is there a % for each grant? Ans. No. Each one has a separate %, we get 1% of the 40 million.

?Grenier: Is all this money going to disappear? Ans. There will be some rearranging, SIG will go away, but the rest will go into the total.

Umberger: We need to break now. Next time we will finish the Fed money. After December we will shift gears as to how to proceed. I ask Jennifer to look at other states for models.

Next Meeting: Dec. 12 at 10:00

Adjourn 11:50

Respectfully Submitted  
Rep. Kenneth L. Weyler

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB 356-FN, Chapter 190:1 Laws of 2017)**

January 8, 2018: Present: Rep's Weyler, Umberger, Myler, Grenier, Cordelli, Leishman, Ladd, Sen. Birdsell.

Meeting opened by Chair Umberger at 1:05 PM in room 209 LOB

The minutes for the meeting on November 27, 2017 were accepted. Committee Assistant, Jennifer Foor provided two handouts comparing other states for spending on subjects like transportation. Director Caitlin Davis was asked if there was anything further to note on the handouts that she had given. There was not. Heather Gage from the DoE was present, she and Director Davis were asked if there was anything we needed to be aware of in the recent department submission for the ESSA, (Every Student Succeeds Act) for enacting any law.

?Umberger: When will schools be responsible to fulfill this law?

Gage: This was passed in Dec. 2015. We had a year to plan. Some parts are already for the Fall of 2018. Classifications of "priority", and "focused," replace "comprehensive," and "targeted."

?Umberger: How many schools in each category?

Gage: We have exited 5 from focused, and we have 16 in priority. All will exit that status, some will repeat. The state does not provide additional dollars. If a high school is put on the list we can support it if it graduates less than 67%. Title I can give 7% from Feds for school improvement efforts. That 7% is about 3 million. If a high school graduation rate is not over 67%, you become a comprehensive school.

?Grenier: It could take years before we see any improvement. What are we doing to encourage improvement? What authority do we have?

Answer; The RSA's prohibit taking over, but hands are tied including resources. We have had 5 schools exit from "focus" schools.

?Grenier: In 6 years some have made no improvement; some have. We need more.

Ladd: We have 5 bills before the Committee; ESSA, etc. We will be having further discussions about accountability.

? Leishman: Are there just a few not meeting the 67%, are we increasing or decreasing?

Ans. We don't have a trend. I think Pittsfield, Manchester West, I think there's a third.

Leishman: So both rural and urban.

2.

?Sen. Birdsell; Is the Title I, 7% of what amount? It's now 43 million, was 41 million.

But the year is not over yet, we go by Federal Fiscal Year.

?Cordelli: What about rewards for improvement ?

Ans. Yes we get some.

?Ladd: These graduation rates of 67% to 80%; isn't 89% our average? Ans. Yes.

Davis: We have gone through our federal progress, are there any questions?

?Ladd: What is the status of Title II ?

Gage: We are still awaiting a final decision.

?Umberger: How do we know that the information on low income is accurate?

Davis: It is a pretty intensive process. Free and Reduced numbers are sometimes added to by HHS cases. We use 185% at or below Federal Poverty Level, (FPL.) If a family is on a food assistance program, but not on F&R we can include them.

?Weyler: Are we getting cooperation from HHS? Ans. The Federal one.

?Myler: If I am the Beech Street Principal, how do I gather the information?

Ans. That's not my area.

Ladd: There are more qualifying than there are receiving.

? Umberger: What about the Dept. of Labor can they help?

Ladd: Sometimes yes. The US DoE can send poverty info from the IRS Files. Could you please confirm if that checks with our F&R stats?

Davis: The Fiscal Disparity Aid used to help.

Ladd: That included property values.

?Umberger: Jenn can you see if the Dept. of Labor has data?

Myler: We have poverty everywhere.

?Cordelli: Title I is based on 100% of FPL, but we are using 185%? Ans. Yes.

Umberger: Under Title I distribution Bartlett gets all of SWEPT, (State Wide Education Property Tax), and still gets Title I. I don't want to say inequity, but kind of. So towns that get to keep SWEPT that exceeds the need get more to spend on schools.

Ladd: Bartlett has 38% F&R.

Grenier: Title I is proactive. Adequacy is for tax relief.

Davis: All of the Title programs are an addition to already provided services and must be used.

Umberger: In Conway we hire additional teachers to reduce class size using Title II, if Title I is reading or math.

Ladd: Quartile data showing NECAP at 88%. Bartlett has 38% F&R yet academic is high.

3.

Gage: Bartlett is targeting versus comprehensive which is whole school. TSI Target School Improvement.

Ladd: Above 40% poverty you can mix the funds, except for Title I.

Umberger: To Heather Gage and Caitlin Davis. We will invite you back to discuss stabilization funds.

?Grenier: Do all federal dollars go to schools and not to tax offset? Ans. Yes.

For the future we need to know, how do federal dollars going into a regional district reflect on property taxes?

Umberger: At 2:00 o'clock we have a scheduled call from Maine Dept. of Education. Phone Call from Amy Johnson and Jim Sloan from Maine.

Umberger: We are looking at options from neighboring states.

Johnson: I will give you a high level overview. About twenty years ago we were like you. We are trying to get equitable funding, a minimum threshold to see if we raise enough for education; using a service fund model and a cost model. Every district gets an analysis using the two different methodologies. The cost model has the most variables. The student/teacher ratio, the experience of the staff, SPED, F&R, salary history, geography, we try to use all the information for each district. We have a research center that uses three year cycle to check the model for reality.

?Umberger: Do you also have a declining student population? Ans. Yes, that's part of the form. We use a three year average to soften the reduction. Portland, for example has lost 750 students. We adjust for every ten students, less money.

?Ladd: How do you compare places like Van Buriem versus Mattinicus?

Johnson: We use staff characteristics. If A has a younger staff and B has more experience, our formula looks at that, along with how the staff was paid and the labor market experience in the area. The entire region is low. Mattinicus is an island so different model applies. We establish state wide patterns; we can't model for every district. With an adequacy based model, some pay more some pay less than cost model. We use more local property taxes if wanted. The cost model is the minimum to get full state subsidy. They get 15% to 90% from the state model.

?Ladd: Is the difference growing?

Johnson: Not between rich and poor, and more are paying above the model; but we keep adding money. Cost model may lag; but SPED is local, 110% above the model.

4.

?Weyler: I am looking at the American Legislative Exchange Council, (ALEC) book, "Report Card on American Education." It shows that Maine reduced the per pupil spending from 2013 to 2015 by \$4,000. How did you do that?

Johnson: I do not think that happened. I will look at those statistics.

?Ladd: How do you weight SPED?

Johnson: that is a whole separate process; we use six steps, but it is not working that well. It is pretty messy. One is the base rate; based on the percentage that is SPED in the district and the prevalence. Is it higher or lower than the state average? Two is an adjustment for high cost. The real driver is out-of-district-placement. There is another adjustment for smaller programs because they lose the economy of scale. A final adjustment that is most problematic is the maintenance of effort, because that does not allow for cutting back in the expenditure driven model. One third is the last step in the model for spending; it increases it from 250 million to 350 million.

?Ladd: Is transportation in the model? Do you use pupil density or miles driven? Is it a stable model?

Johnson: We found that the number of miles of road and the number of students was a better method than using square miles. This helped rural districts by \$2 to \$400 per pupil versus \$50 for others. Some geographical features caused us to use miles traveled. So we went to 50/50 between the two models. Districts may get either if the result is too far away from actual costs, or a percentage from each. It took ten years to develop the model then years of tweaking. We used expenditure data as a guide. Some used more some less for calculating after we looked at characteristics.

?Umberger: In our state we do not pay transportation for high school. Do you?

Johnson: Yes, but each district does what they want.

?Leishman: We spend from \$52 to \$72 per student. What does Maine spend?

Johnson: We spend about a billion dollars. The split is 45/55; it is discretionary after that.

?Cordelli: What are the areas where additional spending is needed?

Johnson: We have no accountability for targeted assessments. I would like more for technology, early childhood, smaller class size. Every time it is brought up the legislature modifies it.

?Weyler: How much control does the Department of Education have?



5.

Johnson: The Commissioner may have a range of options, but the statutes will have the methodology. Many parts are very political; like relative pay rates. There are winners and losers. There is constant change.

?Cordelli: What about student poverty? Is it just 15%?

Johnson: Yes, we threw out an earlier quirk.

?Ladd: What about VocEd; is it part of the formula or do you have Centers for Technical Education,(CTE.)?

Johnson: We have 28 regions with CTE's. Some are at regular high schools. All of them serve multiple districts. It was more complicated than to do it all at once. It took time and we tried three different attempts. So that is still the expenditure model.

?Ladd: So if it is within a district's high school, how do you handle that?

Johnson: Some of them are in a high school. We add additional for CTE's. Almost every SAU gets an allocation, usually based on their prior experience.

?Grenier: If a student has a long commute to get to the CTE, are they there all day or part of the day?

Johnson: if from another town, it could be all day or less than that. It all depends on the geography. If the CTE offers other courses, then more money to take classes there.

?Ladd: Again in transportation, whether you use miles of road or student density, who pays for new busses?

Johnson: The capital costs are outside the model.

?Umberger: How much cost for each bus?

Johnson: It's about \$250,000, that includes three persons full-time.

The Chair thanked the people from Maine for their help in our discussions. She announced that our next meeting we will look at the paper from Glenn Cordelli and an update from Rick Ladd.

Ladd: I have spoken with two Superintendents from Maine. The formula is a problem, but transportation is a little better.

The next meeting will be at 10:00Am on January 26.

Meeting ended at 2:45PM

Respectfully Submitted  
Rep. Kenneth L. Weyler

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB 356-FN, Chapter 190:1 Laws of 2017)**

January 26, 2018, Present: Rep.s Grenier, Myler, Weyler, Umberger, Ladd, Cordelli, Sen. Birdsell.

Chair Umberger opened the meeting in room 209 at 10:00 am.

Rep. Grenier moved, Rep. Cordelli seconded that the minutes of Jan 8 be accepted.  
Motion passed.

Rep. Cordelli passed out "A Handbook for Student-Based budgeting, Principal Autonomy and School Choice;" from the Reason Foundation; and "Student-Centered State Funding: A How-to Guide for State Policymakers" from ExcelinEd. He explained that this was a way for states to maximize funding and transparency. He explained how this brought empowerment and flexibility in parental choice and having the money follow that student; every student was different and had a different base.

?Umberger: What information is needed to follow the student?

Cordelli: The money from all sources, federal, state, and local. The locals will calculate the dollars per student develop the funding formula and weighted average. He pointed to an example from the handouts.

?Grenier: What is the local control, do they control more?

Cordelli: It is based on per student cost.

?Grenier: So are local taxes and state taxes combined and then distributed?

Cordelli: The SWEPT (State Wide Education Property Tax) will be collected and sent to Concord.

?Weyler: Does this mean we are back to donor towns?

Cordelli: In effect. One paper concludes that funding should not be state centered. It should be distributed according to programs, not students. Some states often provide more to schools with smaller student counts. I have not found a state that went to this model. The federal, state, and local moneys all go into the same black box. It is hard to track where the money goes from there. There are accounts going to poverty, and SPED for example, but we need student specific numbers. We should collapse as many dollars into the base, and then go from there. The ESSA provides for pilot projects. So maybe we could be looking at that for a future direction.

2.

?Ladd: What kind of data system is needed for this accountability? Who will be responsible? Our DoE is threadbare. We saw that they would only be able to check three or four districts.

Cordelli: That is a valid question. We could not find answers since no one has implemented the program.

?Myler: The money follows the student. What does that mean?

Cordelli: The model shows that a different amount follows the student depending on the student's characteristics.

?Myler: So Jason Myler is valued at \$745. What does that mean?

Cordelli: That helps create the aggregate.

? Myler: So Jason leaves that school. What then?

Cordelli: The money goes to the next public school.

Myler: So this implies open enrollment. But the money follows in that year. Does that mean that that same baseline will still be the same in the school that he left? What if they discover dyslexia? Does that mean more money?

Cordelli: I did not see that addressed in either paper; they basically applied values to different age groups.

Myler: My granddaughter has open enrollment in the Gloucester Mass. Schools. So she went to Hamilton-Wenham schools. I don't know if the money followed.

Cordelli: The money should go with her, including local dollars.

?Ladd: This would be a huge policy switch. We once had weighted categories. We had an earlier handout from Texas; a regular student was 1.0, a SPED was 1.1, non-public was 1 to 2.3. There was no weighted category for a regular kid. You're talking differential for high school, etc.

Cordelli: The Boston handout had many categories.

Ladd: Federal guidelines allow that if you have greater than 40% F&R (Free and Reduced) for a whole school, then you can mix and match federal funds for the whole school because it affects all the students.

Grenier: Open enrollment is good. So if the money follows the student, then the good schools will get more and the others will have to improve. All this can be done with extra money; we can do this.

Umberger: That would require state to set rates, like \$15,000 per student. Then every town would need to raise that money.

Cordelli: See page 8.

Ladd: We do weight to some extent until the SPED formula kicks in.

3.

Cordelli: We might have several issues, A or B or both.

Umberger: There is no tracking of F&R. That would be a huge shift.

Davis: We have the matchup of student ID's. We know whether the lunch is reduced or free.

Umberger: My point is we have a unique way to follow the student.

Cordelli: Maine has \$250,000 to check forms, but the legislature won't let them spend it.

Grenier: I thought that the statute was to lessen the difference between rich and poor, to reduce the tax burden of poor towns. That was the Claremont decision.

Ladd: Here in the 1899 law; "calculated to give to poor and sparsely populated towns." And in 1919, "equalization for poorer towns." Claremont led to disparity aid, but we keep removing it.

Birdsell: Each time we try to correct it we get sued because the other side does not like the result.

Umberger: It is not a static concept. There is a critical requirement of the many that must be addressed. Those laws are still on the books, and no, we have changed.

Ladd: Here in 1901, "a direct ratio to average attendance, and an inverse ratio to property tax."

Umberger: So Manchester would be considered a poor town.

Further discussion followed.

Weyler: We need to control spending. The formula should include incentives to reduce both money and staffing.

Birdsell: Rep. Cordelli and I went to a conference in Virginia given by EDChoice. I wonder if we have that power point. It was about the increase in non-teaching staff. We will get it to all of you.

Ladd: In Vermont the cost of administration is high due to the small districts; one had 46 students. This is where we need fiscal disparity aid. Some communities had one Principal, one Special Ed Administrator, and the Principal had to manage both the elementary and the middle school.

?Grenier: What determines a poor town? Is it cost per pupil, should we be asked to make it up? What fraction of the tax base? People could be poor but SWEPT could still cover the cost.

Umberger: Bartlett is 7%, no, 38% F&R, but SWEPT covers the cost.

Weyler: We should look at the Augenblich Formula for the next meeting. That covered a lot of the measurements that determined affordability.

Ladd: What happens if we look at what other states have experienced? We need Dean Michener. Where is he?

Discussion followed about how he is likely relaxing somewhere warm.

Umberger: Before we move, RSA 193 E 1 at a minimum requires a ten year review of how any formula is working. Let's all look at the last study. If we need new data. Like teacher's pay; and now we have blizzard bags and tablets, and VLACS.

Ladd: Then Augenblich needs to have some changes like transportation. The state has data like road miles for cost per student. That could be put in the model. We could look at other areas with data from CPP, the Education Law Center. They show a direct correlation between incomes and learning. There was 81% non-proficient in the lowest quartile. The most egregious were ND, VT, NC, NH, where the poorest receive 20% less per student. But Fiscal Disparity came out in 2012. Poor towns cannot raise more.

Umberger: We should move away from this topic.

5.

Birdsell: One of my towns warned about how much they would lose from stabilization. The House wanted to reduce it 10%, the Senate made it 4%, and the town still lost \$350,000; it would have been a million. Now they are complaining about the next \$350,000.

Grenier: Assuming we just fix transportation and not do a major overhaul; the bumpup in transportation could help the poorer towns even those where SWEPT covers. A former Speaker said that we have enough dollars if we could just distribute it better.

Ladd: Hold harmless has been tried before.

Umberger: It became a grant and an entitlement.

The Chair next asked Rep. Weyler to brief the committee on the two documents he had distributed in earlier sessions.

Rep. Myler took these minutes.

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB 356-FN, Chapter 190:1 Laws of 2017)**

February 16, 2018, Present: Rep's. Umberger, Grenier, Weyler, Ladd, Leishman. Chair Umberger opened the meeting at 1:00 in room 209 LOB.

The minutes of Jan. 26, 2018 were accepted.

Umberger: We will start by comparing the Report of the Adequate Education Committee from 2/1/08. Teacher's salaries were \$47,267, in K-12, 20% of Specialty teachers were included, and that meant Music, Art, and so on. One Principal for every 500 students with salary and benefits at \$101,000, an Administrative Assistant at \$42,177, one Guidance Counselor for every 400 students at \$51,867, one Librarian for every 500 students at \$47,267, one Tech Coordinator for every 1200 students at \$47,267, one Custodian for every 500 students at \$36,628. There are other statistics on page 24. The percent of Free and Reduced , (F&R) qualified students were treated differently. There was a school based allocation for Title I. The minimum standards were under ED 306.

?Umberger: Will that change under the ESSA ?

Ladd: There are three different bills. It will likely be established in Administrative Rules.

Sandy MacDonald, DoE: Depends on the program versus the grade.

?Umberger: Are CTE, (Community Technical Education) Teachers counted as part of Adequacy?

Ladd: No.

Weyler: They are part of out-of-district teaching.

Umberger: We need to look at that. I have a hand-out from my district, Conway. The SPED, (Special Education) cost is almost 50% of regular instruction. I don't find co-curricular costs included. Is the School Nurse required?

Ladd: The AG, (Attorney General) says not required. It's not included in adequacy, but it should be.

?Umberger: What about in SPED if there has to be diaper changes or some like service, or maybe psych services that an IEP requires?

Ladd: No. But there have been changes in the ten years. Now we fund Improvement of Instruction, and Staff Development and Media or Librarian.

Umberger: I am looking at School Board Service, maybe that's for legal advice. We do not pay for the Superintendent under Adequacy. Support Services; I wonder what is involved there? Perhaps the Curriculum Advisors and the SPED coordinators.

2.

We might have 4 to 12 people involved, depending on district size. The Conway student population is 900 in the high school, which includes 7 towns. We have 250 in the middle school and 225 in three elementary schools, so about 1800 students. Operations maintenance, Student Safety, Resource Officer, Transportation; we will look at the breakdown later. Other Support Services; what about accounting?

?Weyler: Are categories required by the DoE. Answer:Yes. They can give the breakdown.

? Umberger: Are the class sizes required in the Adequacy formula.

Weyler: We tried to be consistent with other state laws. Building Aid requires that a class is big enough to hold 30 students. So we should base adequacy on 30 students per class.

?Grenier: Is a Principal required in each building?

Ladd: No, in some smaller districts a Principal may cover two school buildings. He covers one, half of the day while his Secretary covers the other, then they swap.

Umberger: Let's look at average class size page in the 1/23/15 report, page 24; elementary, 17.7; middle, 19.1; high school, 19.4. DoE recommends maximum 25 for K-3, then 30 above 3<sup>rd</sup> grade. That's in the minimum standards established in rules.

Grenier: In small schools that's not possible and smaller class size adds to cost.

Superintendent for each thousand students is not possible in the small districts.

A discussion ensued about closing smaller schools.

Ladd: Along with the other issues for small schools is the transportation. The form shows \$568 per student cost, but the state pays \$315. See page 23 in the 2008 report. Many districts must put K-12 on one bus. The state requirement is only for K-8 and not for high school unless more than two mile away.

Grenier: Large COOP districts definitely need more transportation due distances.

Umberger; We see many cars in the parking lots of high schools, and many being dropped off.

Grenier: Some of those who opt for home schooling are because they cannot get a ride to school.

Ladd: The co-curricular activities really pose a problem for getting students home after an after school practice. Does anyone not see that these areas need to be covered as they were not in 2008. Agreement.

Grenier:

Yes we need to cover those and get up-to-date salary figures.



3.

Umberger: Caitlin should be getting those for us; and we need someone to get us the figures for commuting for CTE's and whether that is for in district or out-of-district, also co-curricular transport. We need to look at pupil/teacher ratio, as well as teacher/total staff ratios. Tech has one to two thousand students state wide.

MacDonald: We give half credit for middle school students taking Tech.

Ladd: Tech is sucking the air out of the room. We need to adapt to the situation.

?Umberger: Do we need to increase F&R money?

Weyler: Only if we see programs that are dedicated to improving the grades of that population. We cannot give 85 million without some accountability. Let schools try specific programs, if they work, continue to fund those programs, if they do not, end the grant until they find one that works.

Grenier: F&R looks at needs. Let's look at test scores.

Ladd: When you have greater than 40% F&R in a school, that school will have the lowest achievement scores.

Meeting Closed at 2:28.

Respectfully submitted,  
Rep. Kenneth L. Weyler

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB356-FN, Chapter 190:1 Laws of 2017)**

March 16, 2018; Present Reps. Umberger, Weyler, Myler, Grenier, Leishman.

Chair Umberger opened the meeting at 1:00 in Room 209 LOB.

Papers were handed out showing Equalized Valuation for each town and State Wide Education Property Tax, (SWEPT)

Grenier: This doesn't gibe with per student cost. It shows ability to pay. Will we have donor towns again?

Umberger: That's a settled issue. We won't hear more, although Rep. Henle has a bill in to say that 30 million should be redistributed.

Caitlin Davis, DoE: 336 million set in 2008 said to have an insignificant amount over what was needed over ten years; it needs adjustment.

?Weyler: Are towns covered by SWEPT increasing or decreasing?

Davis: Some move on and off.

Umberger: Equalized Valuation is the key.

Grenier: I agree.

Umberger: Conway is now a budget of 1.5 billion. We were under a billion when this started.

Grenier: So more dollars per pupil as the numbers decline. In Fall Mountain the costs are 100% by ADM. Charlestown gets killed, while Walpole decreases. Should we step in? ADM favors the rich towns. To fix Charlestown we are charging somewhere else.

Umberger: Those towns sending students to Conway are paying \$20,000 to \$30,000 per student.

Weyler: They have probably worked out some required Capital contribution.

2.

Umberger: Well they have built a new high school. Look at Albany. They went up in valuation slightly while others went down, some are about the same.

Grenier: Look at Bethlehem in the fourth column, both with and without utilities.

?Myler: So what is a poor town?

Umberger: That is the problem. Look at Bartlett. It does not appear to be a poor town yet has high F&R. Conway has 50% of its taxes from second home owners

Grenier: Northern Pass may affect property values.

Weyler: The electric towers from Seabrook did not seem to have any effect.

Dick Ames from the public: Fiscal Disparity was based on property values per student as well as median family income. Brookline had low property value per student, but high per capita income.

Umberger: Bartlett has median income of \$35,000 which might qualify, but high property value per student.

Dick Ames: You need to look at the figures for Moultonborough.

Umberger: I think we need to ask Jenn to get us the SWEPT values, equalized values per student, median incomes, and F&R figures.

A discussion followed as to comparing per capita income with household income.

Umberger: We now have some school bus miles: From Kearsage it is 4,000 miles per day. From Sunapee it is 628 miles per day including sports. I do not have how many trips or how many busses.

Grenier: For Lempster in the Fall Mountain District, we bought our own busses, and saved money.

3.

Discussion followed of Title I and F&R. Caitlin Davis explained that they were slightly different due to the ESSA. She referred to ME and RI for examples. Other comments that I did not get completely.

Grenier: The F&R were supposed to go to reduce property taxes. The money should go to improve school achievement.

Davis: There are no Generally Funded Employees at the DoE. We have now an accountability system due to recent legislation, 1495, 96, and 97.

All accountability employees are federally funded, either IBAS or PBAS. Priority and focus will be reports of CSI and TSI.

?Grenier: When we are required to get a tutor for English language, how long is that for?

Davis: Until proficient.

Meeting adjourned at 2:46.

Nest meeting at April 30 at 10:00

Respectfully submitted

Rep. Kenneth L. QWeyler

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB356-FN, Chapter 190:1 Laws of 2017)**

April 30, 2018: Present Reps. Myler, Grenier, Umberger, Ladd, Weyler, Sen. Birdsell.

Chair Umberger opened the meeting at 10:00 in Room 209 LOB.

Ms Santina Thibodeau from DoE was invited to speak on SPED.

Thibodeau: Special Ed spending in NH is higher than other states. Differentiated Aid per student is \$1,956.09; totaling \$54 million statewide. The count on 10/1 this year was 29,171 students with an IEP, (Individual Education Plan.) It includes all school aged children, including Home Schooled and those in private schools. It amounts to 9.6% of all those children, but 15% of public school children. The national average for Sped is 9.5%. Catastrophic Aid that goes to those students where the district spends more than 3.5 times the state average on the student number 850 students; where they exceed ten times the average there are 100 of those students.

?Ladd: Are there magnet schools where parents move the family to, due to better SPED programs ?

Thibodeau: I don't know the names or numbers or where such real estate may be, but I know that parents can look at the DoE website for test scores.

?Umberger: What's covered with 1956.09?

Thibodeau: One child could need thirty minutes reading help, another might require full time. We don't know.

?Ladd: We used to monitor, "at the end of." Do we still monitor?

Thibodeau: Child may have an IEP without services. But feds say if there is no IEP we put them in a regular class. We do not monitor as before.

?Myler: If you are on monitor, you may no longer qualify for services, but an IEP can go for 3 years.

2.

Grenier: I am confused. A child in a classroom who is not eligible for special services, then why would monitoring be needed?

Umberger: There may be covered services such as special reading help or math help. We have to look at: Social/Emotional Development; Conflict resolution; Self Regulation; behavior with a paraprofessional; personal care with a paraprofessional, O.T.; P.T. ; transportation.

Ladd: For Example we can do speech therapy four at a time and bill Medicaid as well. Half hour times four equals two hour billing.

Thibodeau: Medicaid for Schools comes from HHS direct to the school plus administrative costs. NH does direct services at group or individual rates, outside of managed care.

?Ladd: How does the billing work? Can the practitioner bill direct to Medicaid?

Thibodeau: For O.T. or P.T. they must bill for direct services. The school will have an employee or third party to bill for school services. Medicaid pays 22/100; third parties get about 6%.

?Umberger: Who does this at HHS? Answer: Christine Santorelli.

?Birdsell? Is it only Medicaid to schools where a third party is involved? Ans. Yes

Umberger: In the Conway report I find 6 million for SPED in the 2016-17 budget. There was \$358,000 reimbursement from Medicaid.

?Ladd: Does that reimbursement apply down to age 3? Ans. I don't know.

Grenier: Procuring this payment means a lot of paperwork, forms filled out; do most schools use a third party? Answer: Most do.

?Ladd: Where does the private contractor submit the bill?

Thibodeau: usually the school has the arrangement to have it submitted to the third party, depending on the contract. Then they might determine whether the school gets reimbursement from Medicaid.

?Birdsell: Does the school that has the expense get the Medicaid payment?

Thibodeau: I am not sure. I only see it all in one pot.

?Ladd: If the salary for the speech therapist goes through the third party, how do we assure that the Medicaid goes back to the school, otherwise the school gets less?

Thibodeau: If the contract spells it out, it should be paid.

?Grenier: So with 1956, do we have any idea what the school total costs are? What percentage of the spend does the school get?

Thibodeau: So from base year 1996 to 2000 we have gotten 50% more from the Feds plus enrollment for state and F&R payments.

?Myler: So we get \$42 million from the feds? Originally we were supposed to do one third from each of feds, state, and local.

Thibodeau: Feds have been cutting their share slightly, last year they cut 3.5%. So it's 15% of the promise and less than 1996.

Umberger: In the Conway District, the SPED was 20-25% of the budget.

Myler: There was 96 million plus Medicaid going to schools. The total education spending is about 3.1 billion. Special programs use 570 million. The total fed programs, including JROTC, clean water, and SPED is about 174 million.

There is 1.9 billion from local property tax, 55 million from other revenue, 926 from adequacy, including SWEPT; other 80 million includes Tuition and Transportation. Food and Nutrition 174 million from Feds including insurance.

4.

So 1.8% is tuition and food, then 29% is adequacy, 2.6% is other state, 5.6% is federal, less than 1% other. Of the 3.1 billion 20% is special services, and SWEPT brings in 330 million.

Ladd: So with CatAid, a student arrives at a school with an expensive IEP. Who decides what program? The school offers an alternative to the parents. They may visit the alternative. If the parents are unhappy then they go to a hearing officer. How many times a year does this happen? Answer: Less than a handful each year.

Myler: Then a court appeal is next.

Ladd: I have seen families move into a district with a high cost program.

Thibodeau: Sometimes we get upfront approval, but that is rarely used.

Umberger: The CatAid is outside of the ETF (Education Trust Fund.)

Thibodeau: We used to fully fund the CatAid, now it is prorated to the funds budgeted. The last few years it's been about 68%.

?Birdsell: So with a parent appealing to court for an IEP, can the school appeal?

Thibodeau: Yes. If the court orders a placement, then the district would only pay 3 times the average student cost versus the 3.5. That is in a special budget, Chapter 402. Years ago it was as high as 32 million now closer to 22 million.

?Myler: Are we seeing increases in SPED?

Thibodeau: We had a decrease over the last ten years, but now we are seeing an increase in the 3 to 5 year olds.

Myler: There are two reasons for that; we have more Kindergarten, and more opiod use.

Weyler: I think also mothers are having children at an older age.

Ladd: Early intervention could save for the long run. We also risk over coding, the team looks at who and why, and other factors.



5.

Umberger: What do you suggest for the early intervention?

Ladd: Do you want to spend 20% or 100%?

Umberger The 20% would likely double.

Weyler and Myler both agree we need more metrics and more accountability for where this money is going. We keep having increases with no academic gain. Reports are more subjective than objective.

Thibodeau; We need to look at the severely handicapped and measure what gains can mean to them. We need a different scale.

Myler: Lansing Michigan was a bellwether state at mainstreaming the physically handicapped. Many of these were a result of accidents.

Grenier: I have seen spending on one student of \$150,000 a year for 10 years with no improvement. I agree with accountability. We are investing less in the other students. What can we do about it?

Thibodeau: Congress has done that. One percent of the most severe must have an individual assessment.

Weyler: Where's the accountability. Show me the comparison to the regularly educated?

Grenier: When we move them out of SPED we cheer.

Thibodeau: We have a higher graduation rate and a lower dropout rate, and more going on to higher education and employments.

Chair Umberger passed out some handouts from committee research showing School District Characteristics. There are 15,000 school districts in the US.

Rep. Ladd offered a handout on school transportation. We will use these in our next meeting. Ladd wants to look at VT Act 46. Grenier wants to look at consolidation. Next meeting 5/25 at 10:00. End at 12:00

KLW

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB356-FN, Chapter 190:1 Laws of 2017)**

May 22, 2018; Present Reps. Myler, Weyler, Umberger, Ladd, Sen. Birdsell

Chair Umberger opened the meeting at 10:00 in room 209 LOB

Umberger: Let's look at where the money goes. Look at DOE 25 and state money versus local money. We have the DOE 25's from Raymond and Conway.

Ron Leclerc from DOE: The format for the form is the result of a two year study in the mid 90's. We wrote a handbook and replaced the MS 25. Excel allowed security measures; 11 and 12 were modified by GASB 54, so we now include a section for a profile, and related indirect cost rate. We have a committee looking to update the handbook mostly to conform to Federal guidelines and common codes. Our webpage has the pdf for the handbook, and we have added the robotics fund. Now it must go to rules for the application. There are 5 funds; the Special Revenue (Federal) which does not intermix transfers.

?Umberger: Fund 10, General Ledger, is the cash on the modified accrual basis?

Leclerc: Modified accrual basis, or what's on hand on July 1.

?Umberger: What is the Trust/ Agency, page 1?

Leclerc: On pages 16 and 19 you will see Capital or SPED, and Maintenance. On page 24 a check must arrive at zero balance.

?Myler: Why is nothing shown for investments?

Leclerc: Interest earned is on page 3.

?Umberger: What is Assessed Revenue Local? Answer: Tax Rate, local and state. There may be 2 and 3 local assessments when one gets tuition payments from another district. The goal is to get an unassigned fund balance for setting tax rates by the DRA.

?Birdsell: Looking at the handbook pages 2-5 what fund transfers?

Leclerc: Page 2 is for town portion of tuition, 4 is for adequacy.

2.

?Ladd: Payment of 625 on page 2 Parents payment for summer school? Answer:  
Local sources

?Ladd: What about transfers on page 3? Ans. Money from selling school lunch.

?Ladd: Where is rent from? Ans: I don't know.

Leclerc: Other could be anything. 4. Is for adequacy and SWEPT. Stabilization payments are included in Adequacy.

There followed a discussion of the Dover lawsuit. Dover did not get stabilization. If SWEPT produces more than needed to pay for the budget then there is a blank line in your table.

5. is Federal revenue, 6 is total education, Safety Construction is on line 18 page 4

5. Title 1 and how it is tracked. The application to US DoE wants specifics for how the money is spent, then they reimburse monthly. Three people at DOE monitor the Fed Funds.

6. is for Capital Projects and the sale of bonds. We have seen a big reduction in food service, from 900,000 to 500,000.

Pages 7,8,and 9, one for each level of school, elementary, middle and high.

Page 10 is for District Wide expenditures, 11,12,13 for special revenue by level this where Title 1 funds are shown.

More details from page 5, FUND 21 is for Food, FUND 22 includes Title 1, physical therapy, occupational therapy, and guidance.

Page 14 shows Special Revenue Funds distribution; page 15 the distribution of Food Service and Capital Funds; page 16 Trust Funds and interest and transfers; page 17, trust fund activity; page 18 is the balance sheet for the Trust Funds; page 19 is the change in Fund Equity, blue numbers are subtotals black numbers are totals; page 20 shows long term debt; page 21 is recap for SPED all funds; page 22 details out of district payments; page 25 shows your ADMR and cost per pupil.

3.

Our next meeting will be on July 3 at 10:00 in room 209. Please look at the formula we started out with for such things as SPED, F&R, Normal Adequacy, as well as Transportation which is \$331 in adequacy.

Meeting adjourned at 12:30

Respectfully submitted

Rep. Kenneth L. Weyler

**Committee to Study Education Funding and the Cost of an Opportunity for an  
Adequate Education (HB 356-FN, Chapter 190:1 Laws of 2017)**

July 23, 2018—Present: Rep's. Ladd, Myler, Grenier, Umberger, Weyler, Sen. Birdsell.

Chair Umberger opened the meeting at 10:00 in Room 209 LOB. The minutes from previous meeting on 5/22 were passed out. Sen. Birdsell moved to accept as written, Rep. Ladd seconded. All were in favor except Grenier who abstained.

Rep. Neal Kurk came to speak on the current adequacy funding formula because it was based on a growing student population, and now that population is declining.

Kurk: We put this formula in effect in the late 90's. We spent \$700,000 on education in 1970. We saw many changes in subsequent years with spending exceeding one billion in 2000. We now have a declining student count, and the per capita formula does not work. The expenses do not go down evenly with the reduction in population. The bigger problem is the basic concept of local responsibility, where property taxes pay for most of the cost, and there is such a big variation in the Equalized Valuation per pupil. Stabilizations should continue until reductions can be made. This brings the pressure to fix this formula.

Umberger: We face the problem that locals make the decisions that are contrary to best fiscal management. One example is in closing a school or consolidating schools, or overly generous labor contracts. These are the cause of property tax increases; the schools in the hinterlands with 50 students and full staff. We don't want to get involved in these decisions. Franklin has a tax cap. We have no reason to increase the money to them. How do we deal with these variations?

Kurk: I am a strong proponent of local control. The state doesn't have to pay for less than desirable choices. The Stabilization with amounts for best practices, with the locals still in control.

Umberger: With Kindergarten we allowed local choice, while we only paid for half day, most went to full day and then complained of the burden.

Kurk: That issue was the Governor's.

2.

Umberger: You mean Governor Hassan?

Kurk: Governor Sununu also pushed it.

Myler: If you want to use best practices then the DoE should say what they are./

Kurk: The legislature should say.

Myler: The revenue stream should go to best practices based on property values.

Weyler: I saw 2 school districts with similar reports. Each had a year over year decrease in students of about 48, and then each added about 18 new employees. I was not impressed with this practice. Stabilization was only to be temporary, to give districts a chance to reduce spending. They did not reduce as long as stabilization was available. We went from 2011 until 2017 without any reductions in stabilization.

Kurk:Focusing on stabilization, the idea of reducing 4% every year doesn't work because costs do not decline evenly. You need to reflect the actual decline.

Ladd: This formula hasn't worked for years. We have more employees on the programs. The Nurse for example, we require a 4 year degree with pediatric experience, yet do not provide the extra money to fund this. Years ago we had weighted categories and cliffs for F&R. When a school had more than 48% F&R they got an additional \$4,350. That was all s truck out in 2011. The Fiscal Capacity Disparity Aid where the lowest octile and the next lowest got more. We need to fix transportation, especially for the smaller districts. They get \$331 per pupil with costs more like \$827 per pupil.

Kurk: The formula doesn't reflect these things, but you can deal with them. There is a key decline in proportion to student dollars. It would take very little cost to fix. Tweaking doesn't do justice. You need to come up with the answer.

Birdsell: Clarify the low property value per student. The towns of Rochester and Derry did more to create work-force-housing. Would that help?

Kurk: Growing communities are less affected by this change, only those in decline.

3.

Grenier: I have been teaching since the 70's, I had 36 years. I never had 30 students. Why use that number? Manchester drove out the tuition students. Local School like Croydon has a max of 15 students and advertises never more. Thirty is contrary to heterogeneous grouping. Sometimes we have to put two grades in a class; there is no sensible way to set the numbers.

Ladd: I agree that 30 is not feasible. With 25 you can do it. Since 2011, donor towns kept SWEPT. Is that right?

Kurk: No. It just gives everybody more money, but the same issues still exist. The Claremont Decision was the decree that requires us to change.

Ladd: I don't want to chip at sides. Policy and Finance need to work together.

Kurk: You should file legislation to get a study to go for 3 to 5 years.

Ladd: There's no time and no equity.

Umberger: I'm not sure this handout is what I asked for. I wanted to look at taking the stabilization grant towards F&R only. Caitlin has one where every student gets a portion of stabilization.

Weyler: At least that would adapt to declining enrollment.

Umberger: If numbers decline, then F&R should decline.

Caitlin Davis, DOE: You will have 1.3 million less reducing F&R. Windham gains. With SWEPT, Bartlett has the most and still gets F&R. We can get switches between donor and non-donor regularly. Stabilization for 2019 is not determined until October. The estimate is for 138 million. If you divide by the population on the spread sheet, for the 45,000 on F&R you get \$3,065 per student. Prediction was for \$4,083 per.

Grenier: Are you eliminating the 4% decline? Ans: Looking at the option.

Ladd: Lancaster, Haverhill, Keene, Claremont, Berlin; all will be hammering at your door due to eliminating Fiscal Disparity.

4.

Umberger: Manchester has 58% F&R. We pour money into there with no accountability. There was further discussion, too fast to be recorded.

Umberger: Is there a better way? The next chart just gives money from stabilization to F&R. Berlin loses due high stabilization.

Myler: Looking at 2008 to 2018, we need to see how current we are.

Umberger: In our spare time. We are looking at the numbers, I have sent Jen out for that. What if we try to have Caitlin adjust the formula?

Ladd: I have tried that already

Davis: I could send you 2016 and revert to 2011.

Ladd: Fiscal Capacity is eliminated?

Grenier: Maybe just part of stabilization per student, and other combination, some F&R, and equalization valuation; 3.86-2.17 is the tax rate for SWEPT to produce \$336 million. The current adequacy is \$3,636. The handout shows \$3,897 with updated salaries on the second sheet.

Umberger: Don't know why we focus on towns receiving stabilization grants. There are some big discrepancies. (Proceeded to read some.)

Ladd: Money from various accounts that were cancelled, like Fiscal Disparity, never should have happened.

Umberger: We need the total property tax rate, not just the school rate.

Davis: They are both there in different columns.

Birdsell: Is this report due November 1?

A discussion followed;

Grenier: Interim Study should say stop reducing stabilization funds.

Ladd: We should add back Fiscal Disparity Funds and Transportation



5.

We have August and September to finalize. No one has come to grips with the declining enrollment and the few towns with increasing enrollment.

Ladd: I want to go back to the last change in 2008.

Weyler: Accountability for F&R needs to be in the legislation.

Birdsell: Where does F&R go?

Grenier: It just goes back to the town to lower the tax rate.

Umberger: Next we could have Caitlin tweak the formula on her computer and project it on a screen.

Ladd: We know we need to tweak the formula.

The Lobbyist for the School Boards Assoc. was asked if he had any input?

No.

The next meeting will be on August 13 at 10:00

Then plan for August 27.

Respectfully submitted

Rep. Kenneth L. Weyler

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB 356-FN Chapter 190:1 Laws of 2017)**

August 13, 2018—Present: Reps. Grenier, Umberger, Ladd, Cordelli, Weyler. Sen. Birdsell.

Chair Umberger opened the meeting at 10:00 in room 209. The Minutes from the meeting on 7/23/18 were passed out, and accepted. Stabilization grants were discussed, but not all comments made it into the minutes. There are 39 schools with less than 100 students, the majority of these are rural and it is difficult to tuition the students to another school due to travel times and the necessity of putting young children on a bus very early in the morning. An example was Pittsburgh which is a long way from anywhere;

Umberger; Here is a summary of my thoughts so far please bring your comments to me before the next meeting. Please send them to all members. I am still looking for the minutes from Dec. 12.

Weyler: I believe that I sent them to someone in DoE for any corrections and they never returned them.

Umberger: Let's review the subjects that we covered at each previous meeting;

First meeting we had many handouts from Caitlin Davis of the DoE

Second meeting we had enrollment and dollar figures by district.

Third Meeting we had two school superintendents discussing the challenges for first a large district and then a small one.

Fourth Meeting we heard from Dr. Mark Joyce, now retired, but for many years the director of the School Administrators Association.

Fifth Meeting we heard from Doug Hall a former Rep and Finance Committee member, and a consultant and Financial Manager.

Sixth Meeting was about differentiated aid and the Federal programs like Title I.

Seventh Meeting Rep. Cordelli handed out a paper on student based funding. Rep. Weyler also passed out a paper.

2.

Eighth Meeting we looked at school budgets

Ninth Meeting we had Stephan Hamilton from DRA explaining the SWEPT, (State Wide Education Property Tax.) March 2018

Tenth Meeting we looked at Medicaid to Schools and talked by phone with State of Maine administrators about their methods. Rep. Ladd pointed out that JLCAR still has not finished with state rules for Medicaid to schools. April 2018

Eleventh Meeting we had Ron Leclerc from DoE going over the DOE 25's from both Conway and Raymond and explaining the format. Former Senator Stiles also discussed issues in Hampton. We had other handouts from ALEC, "Report Card on American Education," and EdChoice pamphlet on Military Families in Education. We looked at prior legislation since 2005, and information from the Education Conference of the States, (ECS.)

Umberger is starting to make preparations for our report, and will attempt to incorporate paragraph 2 of our charge, such as evaluating the successes and shortcomings of the current formula; causes of increased spending per pupil; identify trends and disparities; any other changes as deemed necessary.

Ladd: I provided quartiles of achievement, but you can't compare them since the criteria are like comparing apples to oranges.

Umberger: There is some correlation with comparing F&R populations. Although Pittsfield has reading and math in the first quartile, their F&R numbers would predict them to be lower. Bartlett has 35% on F&R but they are in the 3<sup>rd</sup> and 4<sup>th</sup> quartile. The class size is an average of 17 and the elementary is larger with 20.

Grenier: F&R, (Free and Reduced Lunch,) is usually lower socio-economic group, but Bartlett has more resources to help that group more. It makes my head spin how much more resources one district might have over another.

Umberger: In many cases there is no correlation between resources and achievement.

Grenier: We should look again at equalized property value per student.

3.

Weyler: We would be remiss if we do not demand more accountability in any formula change.

Birdsell: We need replies from the districts as to what correlation there is between the stabilization grant and F&R.

Weyler: All differentiated aid needs direct accountability.

Ladd: When we had cliffs to distribute F&R, that was fairer to towns with larger numbers. Are we seeing improvement from many new Principals? I wish we would go back to 2008 formula. We had "hold harmless" in the previous bill which is not the same as stabilization.

Cordelli: ESSA looks at academic growth.

Ladd: ESSA and 193E and C, look at growth in scores and accountability, one is 60% and the other 40%. I can't remember which is which.

Grenier: Will it make us wiser? If programs like Title I are not making a difference, maybe we need a reward mechanism.

Cordelli: There should be a new public dash board due out soon. That should make more accountability for everyone to see. If no visible progress, we need to start at the grass roots.

Birdsell: Carrot and stick, we need to give a carrot.

Grenier: I believe that para professionals make a difference.

Weyler: Not in every case. They are too expensive.

Birdsell: People don't want to spend so much money.

Umberger: Few understand the formula. School Boards, don't they just listen to the Superintendent. So 82 towns out of 236 do not receive stabilization because SWEPT covers all the costs for 37 of them, the other 45 may be receiving differentiated aid. Bedford has 37% F&R, 243 out of 4300 students gets them 17 million.

4.

Birdsell: So if we increase F&R they will gain?

Ladd: I gave a spread sheet from 8/19/18; When we switched to stabilization in 2011 we stripped out Fiscal Disparity Aid, that was also weighted in F&R.

Umberger: They also got Title I, has that helped? If there is accountability, why don't we see change?

Cordelli: School Improvement Grants stopped a year ago due to no improvement.

(Committee took a break from 11:05 until 11:20 waiting for Caitlin Davis from DoE)

Davis: The ADMR reduced by 30,000 students in the last ten years, that is despite the fact that we only counted Kindergarten students as one half and now as one.. So some of the variations from year to year show weird things as a result of some of these changes, sometimes from the way we account for things.

Umberger: An old spread sheet from 2005 to 2015 shows a big increase in cost.

Ladd: Haverhill Coop had 760 students in 2011 versus 629 now.

Davis had three other handouts and was able to project them on a screen as she explained them. One was the ten year change of ADMR by district. The second also included differentiated aid payments and tax property rates for school and overall; also SWEPT. One form showed the Adequacy Grants under the old and the new law.

Questions were asked as some of the pages were displayed, but I was unable to follow all the details.

Ladd: When we used octiles we distributed \$2,000 more per student of the schools in the lowest octile and \$1,200 to the next lowest octile. Those two octiles had 29 or 30 districts in each. Median family income from 2013 was \$79,886.

Umberger: Median Household Income was \$65,986. Information will be distributed to show the difference between Family Income and Household Income. We will decide next meeting which one we will use.

5.

Grenier: What will you use for accountability for F&R? What if the Grant is given but there is no improvement?

Davis: What you want is sub group improvement. The largest sub group is F&R. Title I accountability is for input versus output. ESSA accountability is not performance based.

Ladd: and still no test on reading until the Third Grade.

Davis: There is 73 million less in the new law. Less if you attend a school with less than 12% F&R.

Grenier: Look at Concord. Under the old law they got \$2,700 per student, now only \$1,818.

Birdsell: Look at Derry; under the old law they got 18.25 million, now 23.8 million with a lower number of F&R due to no cliffs. There are other population changes, like Pinkerton. Previous attempts did not work as planned due population change.

Grenier: Cost per student can vary a lot without big increases in budget.

Umberger: We are still computing on class size; K-6 on 25 and the rest at 30. Average class sizes are 17. Should we think about change?

Ladd: Change if universally to 25. Pupil teacher ratio 25/1.

Davis: 17/1 but only for classes in lower grades.

Birdsell: Towns are comfortable where they are.

Grenier: There is too much variation in ability.

Ladd: We need to adjust for smaller schools.

Umberger: They should try to tuition out; but like Pittsfield it is more expensive.

Ladd: They have choices.

Umberger: Last meeting we tweaked salaries and benefits. Caitlin, please run a spread sheet using those numbers.

6.

Ladd: take the old form and plug in the "Hold Harmless" from 2008.

Umberger: Bring all your thoughts for next meeting, August 27 at 10:30.

Meeting adjourned 12:26

Respectfully submitted

Rep. Kenneth L. Weyler

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB 356-FN, Chapter 190:1 Laws of 2017)**

August 27, 2018—Present: Rep's. Cordelli, Ladd, Grenier, Myler, Umberger, Weyler, Sen. Birdsell.

Chair Umberger called the meeting to order at 10:30 room 209 LOB.

Motion to adopt the minutes of 8/13/18 by Rep. Grenier, second by Sen. Birdsell, all were in favor.

Jenn Foor passed out spread sheets of Fiscal Capacity Aid. There doesn't seem to be any specific reason why it was done away with in the Senate Committee of Conference in 2011 in HB 337.

Ladd: It gave the towns with the lowest octile of equalized property tax per student as well as average family income below the average \$2,000 more per student and the next lowest octile got \$1,250 per student. SWEPT was 363 million with a tax rate of \$2.135 per thousand.

Grenier: It was not based on the size of the district.

Birdsell: With Rochester and Derry, they have made provisions for work force housing but do not have low equalized property value per student.

Ladd: Claremont got 3.7 million.

Caitlin Davis, DoE: Since 2010, 93 received less; 111 received more.

Ladd: We gave 47.9 million in Fiscal Disparity Aid in 2010-11 and 28 million in Hold Harmless.

Davis: But F&R came into play.

Ladd: No. Manchester got more on top of Fiscal Disparity.

Umberger: We need to focus on Fiscal Disparity for the poorer towns due to tax rates.

Weyler: What are looking at in this spread sheet?

Umberger: Fiscal Disparity prior to the change.



2.

Ladd: In 2011 Fiscal Disparity Aid came out so that 50 million could support the 150 million in Stabilization Aid.

Grenier: The two lowest octiles got more, then nothing for the rest. It should be more linear. I don't like the steps. There is an easy fix.

Umberger: That's part of the argument.

Ladd: It was in court due to the capping.

Umberger: That settlement was a 38 million cost. Let's look at the chart.

Caitlin Davis DoE: Explains. The third column from the left adds \$250 dollars to adequacy, \$3,897. The fifth column increases the F&R from \$1,818 to \$2,200. These were Rep. Umbergers requests, for discussion. Then the big arrow on the right shows the resulting grants. The next columns to the right show the existing law and the difference. I use the stabilization at the current without any further reduction. That means it is at 92% of the 158 million or 144 million.

Umberger: We eliminate the stabilization and relplace it with Equalized Property Valuation per Student using categories of under 600; 600-800; 800-1 million. We looked at median family income, and the categories were similar so family income is immaterial. To qualify for the plan to double F&R the district must have a 10% increase in math and reading, and a 12% increase in the SAT for F&R groups. They must report what they are doing what is new or innovative so we know what was done with the extra money. This is only for five years, unless scores improve. Title I may also apply. Transportation is removed; there will be a stipend for mileage which will also apply for contracted transportation. The transportation is for K-8 only we may not have enough money for the others.

Grenier: So it is not linear?

Umberger: I am looking at ability.

Birdsell: No accountability for the first \$2,220 but only for the second \$2,200?

Grenier: So with Equalized Property above one million you get zero?

3.

Umberger: If Title I applies. Conway would not qualify for this but all three elementary schools qualify for Title I.

Ladd: It's a whole different ball game for Title I.

Davis: Belmont gets 1.2 million. You would replace that with having to apply for the money.

Umberger: Stabilization gave money for ghost children. We used to take three years to get the ADM. Now we are current so we can give the money to real children.

Birdsell: So this sheet shows stabilization funds, but no money after that?

Davis: It will change every year.

Umberger: We need to eliminate ghost children. There are too many towns with less than 100 students, but that is a town decision.

Grenier: There is not necessarily a nearby school.

Umberger: Jackson is another example. There K-5 or 6 is 43 students. Bartlett is a half hour away, and they send the 7<sup>th</sup> grade and above there already.

Grenier: This is a good start. Everyone gets \$3,897 plus \$2,200; this may require a new person at DoE.

Ladd: How do you identify the increase in scores?

Umberger: It will be for a 5 year window.

Ladd: There has been a drop in Jr. High. It will take a lot of policy work.

Umberger: This will take effect not the next school year but the one following.

Myler: Did you touch SWEPT?

Umberger: No.

Myler: Why not make it part of the conversation while dealing with ghost students?

4.

Umberger: Then we get into wealthy communities. How many will that be? We have seven in Carroll County. It is an extra issue.

Davis; There are about 38 or 40 million dollars in SWEPT that is extra.

Myler: How can we assure that we are equal throughout the state?

Ladd: Originally in the hold harmless there was about 27 to 28 million.

Further discussion on the topic was delayed until the next meeting.

Myler: Ames was working with funding. He came once, but did not contribute. What about Tobin or Volinsky? Should they come, is it appropriate?

Umberger: If they want to.

Davis: Ames wanted to restore stabilization.

Grenier: I have a concern. Where does the money go? If Lempster kids go to Fall Mountain or elsewhere for High School, how can you authorize or have the power to ensure the improvement? It works if it's your own school but not if you send them elsewhere.

Umberger: If a Lempster student qualifies for the extra money, then the tuition agreement must get it done. They may have to use leverage with the SAU.

Birdsell: The Timberlane School Board will have to go after the Superintendent to get it.

Grenier: But it's supposed to offset taxes.

Umberger: No. It is a grant with conditions.

Grenier: Performance Based budgeting; looking at that road states that we have done it on the low side like VLACS which is course completion. I'd like to see ESSA accountability.

Ladd: It is 40% achievement, 60% growth.

5.

Davis: It used to be local education improvement around 2010. But NCLB changed that.

Weyler: We need a formula.

Umberger: Any other proposals?

Ladd: Transportation. Is it in the base adequacy anymore? If we do not include it we might take out the \$313 per student. It is over 50 million.

Umberger: I looked at your district and I came up to less than \$313.

Ladd: Texas didn't have the convoluted system we have.

Davis: We pay to districts according to agreement.

Weyler: We overlook the law. It says only students who live a mile or more from school and only up to the 8<sup>th</sup> grade.

Umberger: We are paying for K-12.

Ladd: Rule making provides for special exception like walking on a busy high way or crossing it.

Davis: That is blended into the formula.

Ladd: DoE form is what we use.

Umberger: Do we all agree we only pay for K-8. But on the formula we are paying for every student.

Ladd: The costs average \$800, but we only pay \$313.

Grenier: One of the reasons for dropouts is they cannot get transportation. A kid needs incentive to get to school.

Ladd: Six communities. Only one has the high school. They have declining enrollment but still the same transportation costs. What about Uber?

Umberger: Someone send me the Bus RSA to rewrite it for K-12. Anyone else?

6.

Ladd: handed out his highlighted changes to the preliminary from Rep. Umberger.

Davis: RSA 193 addresses adequacy, and RSA 198:38 is for funding, and 198: 48 is Kindergarten.

Umberger:KENO provides the \$1,100 for the first year per student so we do not need General Fund Dollars according to Lottery.

Umberger: We will keep on working on refining the report.

Davis: How long do I have to get stuff together? I might need two hours to provide info. She will meet with Umberger at 3:00 on 9/5

Next meeting will be after the Veto Session on 9/13. If we have to post an exact time let's say 1:30. We will likely have Tobin and Volinsky.

Adjourn 12:39

Respectfully submitted,

Rep. Kenneth L. Weyler

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB 356, Chapter 190:1 laws of 2017)**

September 13, 2018; Present: Rep's. Cordelli, Umberger, Weyler, Myler, Grenier, Ladd, Leishman, Sen. Birdsell.

Meeting Opened at 2:05PM in LOB Room 207

Umberger: SWEPT, State Wide Education Property Tax; it has been at 363 million since inception based on Equalized Property Value. Thirty three towns collect more than the adequacy requires. This first started with Donor towns sending in the extra, then no donor towns after two terms, then no more sending in the extra after 2011. Those towns can keep all the extra, but it should be spent on education only. Rep. Cordelli and I live in the heart of SWEPT towns, there are about ten in the Lakes Region differentiated aid is included.

?Myler: Are they off-setting local property tax? Are they deferring money for later?

Umberger: Yes for the first question, don't know for the second one.

?Weyler: Should we consider changing the rate for SWEPT?

Ladd: It won't make any difference.

Umberger: Remember we are not here to look at our own individual towns.

Grenier: Alluding to the tax, to be clear, there might be a little of state money that can be used to lower the other taxes.

A comment was made about previous meeting minutes. Clerk had sent them to Umberger and Karwocki a week ago with a request to distribute them but that had not been done. Jennifer Foor will take care of it.

Rep Myler now introduced John Tobin and Doug Hall, whom he had invited to speak to the committee. They and Andru Volinsky had been holding forums around the state, but Councilor Volinsky was not available for this meeting. They wish to discuss a new process.

2.

John Tobin distributed two handouts, one was an article he had put in the Bar Association News. He has held 4 or 5 forums and plans for another 6 or 7. The message of the forums is that even after twenty years the districts spending is not equal as the Court directed and the Constitution supports. The state puts only \$363 million into adequacy, while the districts average \$15,000 per pupil. The second principal is that locals make up the difference, and the rate should be uniform. The political culture resists high taxes. We have had 100 to 150 at each forum. We have a different situation from twenty years ago. Our taxes are discouraging businesses and that fact is not attracting young families. The solution is through the legislature and not law suits. Fiscal Disparity and Stabilization should not be taken away. You should not diminish poor town's money.

Weyler: You are only giving one side of the argument. We give a lot of discretion to towns. If they desire to be bedroom communities, then their school costs will not be shared with other properties like businesses. You should be explaining how local decisions affect tax base instead of blaming the legislature.

Tobin: In Newport they say if only we had the lake instead of Sunapee.

Ladd: Base Adequacy needs to change, but that is a mountain to climb. Would it be wise to take the differentiated aid?

Doug Hall: Extra amounts can make a difference, even if it is a little, so stabilization is important. Some differences in student population also are causing affects as far as reductions.

Ladd: F&R used to be weighted as to percent in a school. Now all that is put into stabilization, and we are eating into that, so the formula is worse.

Leishman: In your handout you speak of a uniform rate. As I campaigned in my primary there was no stomach for an increase in taxes or a sales or income tax. What is your idea?

Tobin: I want a uniform rate.

3.

Umberger: I listened to you on NPR. You quote the \$3,636 per student and say it should be \$5,500. That is misleading. We do not want to raise the adequacy; it will reward the rich towns and not improve education. I am not in favor of a big increase; the benefactors are the rich towns.

Tobin: Differentiated aid does not go to each child.

Umberger: It goes to the district and they do what they want with it.

Tobin: The difference is how you pay for it.

Umberger: We are dealing with inefficiencies in the district. A small school will have a full staff, whether the numbers justify it or not. They could save money by combining with another district. How do we wring out inefficiencies? The local tax payers support the inefficiencies.

Tobin: In Berlin we heard how they had looked long and hard about consolidating. The school fosters local identity. They don't want to be regional. There are crises in places like Rochester, Manchester, and Keene. They are not far behind these broader issues.

Myler: State standards apply regardless of size.

Umberger: High Schools are not taking advantage of VLACS; and not the running start program of the Community Colleges, where all STEM courses are free to HS. We asked the Superintendent of Pittsfield how many were taking VLACS courses; there were none. Two years ago the state was giving Berlin \$10,000 per student. Don't tell me we are not supporting students. Districts have done nothing to reduce their costs.

Tobin: Berlin sends students to White Mountain CC from HS. If Berlin has only \$288,000 property tax base per student and Portsmouth has ten times that, if you gave Berlin two times \$5,000 you still haven't made up the difference.

Ladd: We are headed for a rural crisis. We have \$39.2 tax rate per thousand valuation.



4.

Umberger: Tax rates are a combination of Town and school spending. They are a result of local decisions. I don't have the authority to tell them that a town of 10,000 or less should not have a full-time Fire Department. The Community makes that decision.

Grenier: I taught at Sunapee and Newport, a long time ago. They both had equal tax rates then. Then Sunapee got to tax the lake. Newport could not make the same spending and lost teachers. I don't blame the towns for their circumstances. At the end of the year the town has many who did not pay for the school lunches and many had additional SPED costs. My district had level spending and I voted against reducing stabilization. Teachers leave for money and work-force-housing.

Tobin: The last twenty or thirty years we discovered the new-housing impact on school budgets.

Weyler: Towns compete with each other, both over newer schools and tax rates.

Birdsell: I represent Derry. They have done more than most towns to supply work-force-housing, while Londonderry and Windham discourage it.

Ladd: I am sorry I voted against my own bill. It would not have had a big difference in SWEPT. I wanted to reduce the inequities. Fiscal Disparity Aid would have distributed 28 million, instead we put it into the 158 million in stabilization aid; some didn't like the cap.

Doug Hall now distributed his handouts. They show how little changed in twenty years . I use a dot for each town, all 221. You see how Pittsfield has gotten worse on the scale from 1998-99 to 2106-17. The next chart shows tax rates, and Pittsfield has gotten worse there too. My first year on Appropriations Committee, Governor Gregg said we were in a fiscal crisis. So he took all the money out of the Augenblick Formula except for the Lottery Money. Chairman Bill Kidder told me to speak on the bill. I did and decided that I would never do that again. The chart shows how little changed in twenty years , we have lower spending and higher tax rates.

5.

Hall: My second hand out shows money per average student. Pittsfield has only 26% from the state in what is described as adequacy. I am working on a program to see what I cut to comply with the state adequacy will leave me. I might have to have 60 students per class to meet funding. I would need to eliminate a lot of staff.

Grenier: If a small district has 50 students versus a larger district, then they will have a lot fewer students per grade, and may be able to get by with a lower property value per student.

Hall: Clearly that could be more efficient, but the situation is not always a straight line. The state encouraged districts to combine when they gave more building aid for more districts coming together, but no more building aid.

Ladd: Well we increased the qualifications for a school nurse which added to the cost and for qualifications for Superintendents. We didn't touch building aid.

Hall: Building Aid should have been in text notes for the RSA or in minimum standards. Superintendents were first brought in 1919 as State Employees. They were to investigate and evaluate to find sub-standard schools. In 1970 we created the SAU's. Now Superintendents have a veto over teacher hiring and firing. That has been taken away from Principals. Superintendents went from state employees to half paid by state, then all local.

Myler: As to your 26% target, 70-80% are fixed costs. K and first grade are difficult for accountability testing. What can we see above and beyond?

Hall: Personnel are the biggest cost, but no teacher is a fixed cost.

Grenier: Superintendent pay is in statute. Division between districts is either ADM or 50/50. Must a district have an SAU?

Hall: I don't know

Umberger: Articles of Agreement decide what the split of expenses is between districts, not statute.

Myler: What are your thoughts on a uniform tax rate?

6.

Tobin: Whatever you choose to levy. It should be the same rate across the state including SWEPT, Sales tax, R&M, whatever.

Umberger: I will now have Jenn handout the revised Final Report.

I have 4 handouts

I have grouped the districts by equalized property tax value per student, from those under \$600,000 per, to 600-800,00 per, 80-1 million per, to over 1 million. When we look at another chart with F&R, we find many districts with high F&R have high property tax per pupil. We do not need to reward them so I stick with the property tax. If under 600,000 then we give more F&R, but with accountability by five years.

Ladd: ESSA uses in the accountability; 60% for growth, 40% for achievement.

Umberger: No stabilization grant, but we increase the Adequacy from 924 million to \$1,037,000,000.

?Ladd: If they don't improve, do you take away the money?

Umberger: Yes,, and you must match the student to the improvement.

Cordelli: You took a different tack. You took away the third grade reading money.

Umberger: There was no accountability on that anyway, even Nancy Stiles knows that. We will give award money to the top 5%

Leishman: Madame Chairman I commend you on your effort. I don't care how we figure out the grant.

Next meeting will be Sept. 25<sup>th</sup> at 1:00 PM Room 209. Invite Frank Edelblut.

Adjourn: 4:15

Respectfully Submitted

Rep. Kenneth L. Weyler

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB 356, Chapter 190:1 Laws of 2017)**

September 25, 2018; Present Rep's. Grenier, Umbeger, Weyler, Leishman, Sen. Birdsell.

Chair Umberger called the meeting to order in Room 209 LOB at 1:08 PM, and called on Ian Underwood from Croydon NH who identified himself as a Learning Scientist, and passed out a pamphlet labeled "School Funding in Three Graphs and Two Jokes." His graphs and explanation showed that the cost of education since 1970 in one graph and since 1980 in another had shown large increases in spending with no increase in achievement test scores. He also said that poor districts had to spend more. "You need to change the incentives, stop focusing on money. The Article 83 is misapplied, since it calls for us to cherish schools and seminaries, and you can't fund, regulate, or dictate to seminaries, how can the court expect you to do it to schools?"

?Grenier: The General Court, in 1998 found that we were spending \$6 to 7,000 per student, and the state was enforcing standards. So 40% of the money is a result of the state spending.

Caitlin Davis, DoE: The current process on achievement tests is a federal/state accord. Using IBAS (Input Based Achievement Standards) or PBAS (Performance Based Achievement Standards.) NCLB changed it to P&F, Priority and Focus. Last year we went to one system under ESSA, (Every Student Succeeds Act) testing each schools individual cohorts. We had four categories of schools, total results plus F&R, IEP, NH SAS. We looked at college and career readiness and dropout. We did a profile in the Fall, the bottom 5% got Comp. Support and Improvement plus Title I funds. We were looking for Federal Accountability for all publicly funded schools, some came under Title I.d both state and federal looking at input and performance. Up to this year we looked at IBAS or PBAS, now we must look at both in 2019.

?Umberger: Where is our current standing?

Davis: It is due out December first; we hope to see it sooner.

2.

Umberger: So this is the last year of the current system. We did not necessarily improve?

Ladd: Made comments on the difference of the two systems. (Not recorded)

Davis: We have put the districts in quartiles; not all follow the trend.

?Birdsell: Do we have any information on private schools?

Davis: No. All we get from them is an address and their enrollment on 10/1.

? Grenier : What about when a public school contracts with a private school like for Kindergarten?

Davis: Then those students would require testing, and we would be able to see that data. It would not be student specific. The school district must test grades 3-8 and 11<sup>th</sup>.

?Umberger: What about Priority and Focus Schools?

Davis: We have SINI and DINI; Schools in need of improvement, and Districts in need of improvement.

Ladd: Last year we passed concurrent and enrollment for partnership with the Community Colleges. So CTE could give credentials and another look at input for accountability.

Grenier: In the previous meeting we talked about budgeting for SAU's. They are either by ADM or 50% by equalized value. That makes it hard for property rich towns so they must join an SAU either Regional or Coop.

Weyler: I am passing out a piece that I would like to have as an introductory page to the report.

Leishman: I don't think that you should use the word "wasted."

Ladd: There is a correlation with poverty. We are seeing gains in 38 schools that use "Learning Math Communities." Now fewer need remedial learning. We have targeted and non-targeted. We are seeing growth.

3.

Grenier: We never saw any data separating the F&R from the rest. They may or may not need help. The OT, PT, and speech are not related to income. Under SPED we should pay for it all, but courts may argue with this opinion.

Ladd: I handed out a report. There is a correlation with poverty.

Chair next recognized Rep. Ames who had three hand outs. Then Commissioner Edelblut arrived, and he was given the floor.

Umberger: Commissioner, we want to see where we are going in relationship to HB 356 requirements. Are we going in the right direction?

Edelblut: We want to see what resources we have and whether we are focused in the most effective and efficient direction.

Umberger: The formula in the 2008 study we have adjusted some of the numbers and looked at possibly changing the transportation costs. But transportation was too complex, so we tossed it out the window. We did update some numbers for salaries, start with the base figure \$3,684, changed the ratio for teachers, but left the 500 for a principal alone, along with Administrative Assistant, Librarian, Guidance Counselor, and moved the Tech Coordinator from 1 to 1500 to 1 to 500. For instructional material we left that alone. We came to a base of \$3,897. F&R we increased from \$1,818 to \$2,500 but we need to focus on differentiated aid. We took out third grade reading stipend as there was no tracking, and it only applied if there was no other differentiated aid. For the second half of the F&R grant we put districts into four groups by equalized property tax value per student. The groups are 1. Less than \$600,000; 2. \$600-800,000; 3. \$800,000 to 1 million; and 4. over 1 million. We find that with less than \$600,000, there is a high % getting F&R, so every student gets the \$2,500. Rep. Grenier wants a linear progression, so I am looking at an amendment that gives a gradual decrease. Those towns with over 1 million may have pockets of poverty, so Title I students still get \$1,250 or a phased out amount. That additional F&R is a grant that the district must apply for, and it will be tracked for improvement. They may need a consultant or p.t. staff for the program. We expect accountability in 5 years, or no grant renewal.

4.

Ladd: We met with Heather for a system.

Umberger: The grant applications will be assessed. They will be automatically renewed for the first five years, so that the schools can make adjustments if their program is not delivering, or copy a successful district.

Ladd: We will have the reading requirement for grades 3-8 and one year of High School. We should see program design elements of what each grade level should do, an annual account report and progress towards a goal for which the grant renewal is incumbent upon. He gave a handout showing the distribution of \$196 million.

?Grenier: Is the testing for the entire body?

Ladd: Yes. We are looking at the correlation coefficient for the kids, understanding that there is a 25-30% population change

Umberger: Some good news, the KENO Income is doing very well we will have more than \$1,100 to distribute for each Kindergartener.

Edelblut: We are focused on what we do with what we have. Looking at this emphasis on F&R history and a system that has underperformed. This group has been 10 to 20% lower across the country in achievement. This is more a tax policy than a policy for education. Its aim is to lower property values and tax disparity, tying the distribution to the F&R population.

Ladd: We haven't had Fiscal Disparity Aid since 2011.

Edelblut: But we had stabilization aid to accomplish a similar end. Will we still have stabilization aid?

Umberger: No, we do not need to fund ghost children.

Edelblut: The incentives have no floor, you do not want to aim too low. I would like the legislature to set the parameters; I would like the legislature to set interim goals.

Ladd: In my application I must count on predictions for five years.

5.

Edelblut: Some schools assess locally. The state-wide test is also federal.

Ladd: Not the federal test but some local evaluations, it's voluntary.

Birdsell: So going back to the requirements, if they fail after 5 years, do they lose the grant? Or should we drop from 100% of the grant to something like 75%?

Ladd: to Caitlin. Going back to what center does, what would you do?

Weyler: It is time we take something away from failure instead of rewarding failure. Some people should be fired.

Ladd: We have moved to an accountability plan, that is why D.C. approved the grant. We need to show growth and growth between subsequent grades.

We now returned to Rep. Ames presentation.

Ames: I have given you my written statement and three spread sheets. There were drastic changes in 2008 and 2011. The 4% cuts are beginning to play out. My proposal will put Fiscal Capacity Disparity Aid back in. I will resubmit with some modifications. The F&R plan is significant. I would put in more needy towns even where the grant falls short. Why are some towns doing well? Perhaps it is more money? I would give some money to all places. I like the grant notion, but it is discretionary versus constitutional obligation. So adequacy looks short, and the grant is not adequacy after 5 years. Accountability is important, but you need to change this formula which only reveals the inadequacy.

Rep Umberger now passed out the draft report, which she had changed at the suggestions of Rep Ladd.

Grenier: We should amend RSA 189:6 for transportation. Page 9 for K-12 from may to shall.

Umberger: Please forward your comments to me.

Grenier: How much did the old sheet change?

Umberger: This proposal will not go into effect until School Year 2022-2023.



6.

Ladd: I listened to Tobin presentation in my town. He says if the 4% goes into effect next year there will be a new law suit. Some want a freeze on stabilization. I want to see the last 5 years achievement results and from the Focus and Priority Schools, and the ten Title I schools, then 3 years Smarter Balance Tests.

Umberger: We need to approve the minutes from 9/13/18.

Birdsell moved approval, Grenier seconded all in favor.

Next Meeting will be on October 12, here at 10:00

Meeting adjourned at 3:19PM

Respectfully Submitted

Rep. Kenneth L. Weyler

**Committee to Study Education Funding and the Cost of an Opportunity for an Adequate Education (HB 356-FN, Chapter 190:1 Laws of 2017)**

October 12, 2018—Present: Rep's. Umberger, Cordelli, Myler, Ladd, Weyler, Leishman, Sen. Birdsell.

Meeting opened at 10:05 in LOB Room 209.

Chair Umberger announced that Rep. Tripp from Derry had asked to address the committee. But he was not present.

Rep. Brewster asked about a family that had three SPED students that he believed cost \$200,000 each, and wondered who pays for this? Rep. Umberger explained the SPED formula. District pays up to 3.5 times the average student cost, then the state pays 80% above that and the district pays the 20%, until the total reaches 10 times the average student cost, then the state pays above that figure. Typically using \$15,000 for average student cost, a \$200,000 student would cost the district \$52,500 plus \$19,500 or \$72,000.

Ladd: The transportation costs for SPED student are \$1,956. He then passed out an SREB Report.

Chair asked for a motion to approve the minutes from 9/25/18; moved by Sen. Birdsell, second by Rep. Ladd, all in favor. She then passed out the Draft Report with the changes we reviewed from Rep. Ladd; and pointed out the changes.

?Myler: Will there be new DOE Staff to monitor the Grants?

Caitlin Davis, DoE: We may need one more person.

Umberger: The schools eligible for the extra grants are not likely to cycle in and out of the group after the grant period. We hope some need will be reduced, the DoE will determine

Ladd: The SREB (Southern Regional Education Board) deals with the topic. Maryland does not use accountability; Kentucky has another way; Oklahoma distributes the money on income without any accountability; and Texas uses the money to support those at academic risk, they have accountability.

Umberger: There is not a huge number of schools.

2.

Ladd: My next handout shows the schools in NH by quartiles with achievement and equalized value per student. It shows the direct correlation between achievement and spending.

Umberger: That's why we changed the distribution.

Cordelli: In terms of achievement, funding alone is not the answer. We need leadership, and motivation. We must increase expectations; funding alone is not the sole factor.

Myler: I agree with the caveat and the examples of Pittsfield and Parker-Varner in Manchester. Two leaders turned those schools around, but with the help of Nellie-Mae funds helped the turnaround. The Pittsfield Superintendent was very concerned that without outside sources, he would have a problem.

Birdsell: I agree with Rep's. Cordelli and Myler, and I fear that leadership may not change in the challenged schools. That's not in our charter. We need to change their way of thinking.

Umberger next discussed Weyler's comment sheet distributed at the previous meeting enumerated the three causes of our state's high spending. She asked Ms. Davis if Title I had shown improvement where it applied? Answer: I don't know.

Ladd: Lisbon is the eighth lowest, but has strong scores. It has New England Wire there with a lot of technical workers with a high level of education.

Umberger: We all agree on accountability. The local school board needs to set up targets of how to improve. I think school transportation needs an RSA change. I think the local school board will determine how that will be used because the formula provides money for every student.

Ladd: Some areas are not safe for walking. The \$315 for transportation was in the original formula. The busses are still driving the same routes with fewer students and higher costs. We need more involvement of the managers.

Umberger: Shall we leave it at \$411? Answer: Yes. It's in one place but not on page 11.

3.

Umberger: Then read a letter from Rep. Cordelli. There was discussion and a decision to add at the end of section "D" on the five year grant, "with no adjustment." Other comments were on what happens if the grant goes to a school which sends the student to another district. Then the second district must employ the program that the grant suggests. In the case of a COOP district where not all the schools get the grant, the program is likely to be given to all the students in attendance.

Ladd: I see a lot of rule making needed. Discussion involved the fact that many of the decisions will be made locally, and we have not come up with any standards for the grants.

Cordelli: We should look at the ESSA, where 60% is growth and 40% is achievement. I wonder about combinations like Brookfield-Wentworth, or Wolfeboro-Tuftonboro. (to Davis) Can we do it by town?

Davis: It will be hard, we don't do it by student.

Barrett Christina (School Boards Assoc.) Could it help if you do it by school?

Umberger: How many COOP's are K-12? No one knows, but generally K-6 is in a town and F&R is mostly in K-6.

Ladd: If the student count is less than 10 we cannot get ID by student.

Myler: the School board must make the determination.

Davis: The grants are school specific. We will have to do some changes, as we do for Title I.

Leishman: Looking at the NH Business Review, page 19, poorest towns, some are gaining, some are losing. Haverhill and Farmington are gaining population and students but not money.

Umberger: They will get more adequacy.

Birdsell: It's set at the year of the grant.

4.

Umberger: There are 103 towns that qualify for the grant. I am concerned that as we budget by the biennium, what if after the first few years it isn't working?

Leishman: The school approval process is 5 years by the DoE.

Discussion returned to Weyler's letter. Of the three paragraphs mentioning school costs only the one remarking on SAU's was supported for inclusion in the report.

Further discussion of the Draft. Ladd's changes were in B,C,and D. We need to emphasize that local decisions drive costs, such as full-day Kindergarten and class size. We should mention the success of KENO in providing the money for full-day Kindergarten.

Myler: The Dept. creates standards, so the expense is a shared responsibility.

Ladd: The curriculum is a local decision as are salaries and bonuses.

Myler: Teachers start at a low pay. They will switch for more money. The turnover has effects.

Umberger: DoE and the locals can figure it out.

Myler: Madam Chair I compliment you on your outstanding leadership in bringing in this report. Rick and I introduced 356. We were convinced that there needed to be changes since 2008. This is an excellent summary, but this problem needs greater scrutiny than time allows. Doug Hall's Report showed no change in disparity. That causes me great concern. Foreign language is better by Rosetta Stone. We just tweak the formula, the constitution says it is our responsibility, the tax system calls for a uniform rate. Tobin and Vulinsky have had almost 1,000 people at their seminars. The volume of data is too much. I cannot support this report. We need greater involvement in transportation and more people at the table. I will recommend a committee be established to deal with disparity.

Leishman: I have served with Rep. Umberger when I chaired Division I. I was always impressed with her. I spoke against Gov. Lynch's attempt to take away the Legislatures authority by constitutional amendment. This recommendation will make a huge dent as we struggle to make ends meet. I support the report.

5.

More discussion of the Draft followed. We will have one more meeting. Rep. Myler will file a minority report.

Next Meeting will be on October 22, Room 209 at 10:00

Meeting adjourned at 11:47

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