Commission To Strengthen the Adequacy and Equity of Certain Cost Components of the School Funding Formula

Meeting
Burton Cross Office Building
111 Sewall St., Augusta, ME
Education and Cultural Affairs Committee Room 202

November 25, 2014

MINUTES

I. Call to Order

Rep. Hubbell called the meeting to order at 9:45 a.m.

II. Roll Call - Co-chair Sen. Rebecca Millett, Co-chair Rep. Brian Hubbell, Charles Betit, Kim Buckheit (left at 2:45), Jude Cyr, Dick Durost (joined at 2:45), Jim Grant (left at 4:09), Deborah Friedman, Martha Harris, Daniel Higgins, Rep. Beth Turner (left at 4:08).
ABSENT - Jill Adams, Kathryn Colfer, Rep. Mattie Daughtry, Sen. Brian Langley, Jim Rier
Also present – Maine DOE staff Suzan Beaudoin, Jennifer Pooler, Sue Reed; Maine Education Policy Research Institute staff Dr. David Silvernail, Jim Sloan, Erika Stump, Amy Johnson, Craig Mason

III. Consideration of the Minutes of November 14, 2014 –

Motion by Jude Cyr, seconded by Dan Higgins to accept the Minutes of November 14, 2014 as written. Voted unanimously by those present.

IV. Review Program Report as directed by section 6 of Resolve Chapter 114

Public preschool programs for children 4 years of age. (Section 5, para 1, items A, B, and C)

Public Preschool Initiatives – handout overview provided by Sue Reed and Dr. David Silvernail

Paragraph A

- Preschool Standards put forth in 2007
- Maine DOE proposed Chapter 124, Basic School Approval: Public Preschool Program Standards. Hearing held Nov 17, 2014, comment period ends Dec 5, 2014.
- Survey sent to public preschool program teachers to determine actual: class size, staff ratios, type of curriculum, screening and assessment instruments, transition procedures, transportation, etc.

Paragraph B

- Fiscal Note provided by Office of Fiscal and Program Review - will need to set this aside for now since there is confusion about the figure ($7.2 mil vs $20+ mil).

Paragraph C

- PL 2014, Chapter 581, enacted April 29, 2014

Public preschool programs for children 4 years of age. (Section 5, para 1, item D)

Superintendent Reports on Public Preschool Programs in Maine – handout overview by Craig Mason and Dr. David Silvernail

Paragraph D

- Expansion - likely more opportunities out there than the data is showing (only 81 responses) – beginning on slide 2
- Is this the same population of SAUs that we always hear from, or can it be used as a comparison across the state?
    - Good demographic distribution of respondents – relatively balanced.
- Operating costs – beginning on slide 13
- Staffing costs – slide 15
    - Slides 5 and 15 – is it safe to assume that the student to staff ratio is 15:1?
        - i. Could be, but slide 5 includes partners.
        - ii. Data will be more accurate from the teacher survey.
- Transportation costs – slide 16
- Partner Agencies costs as reported by superintendents – slide 17
    - What services are being provided by partners?
        - i. Hopefully more details will come from the teacher surveys.
- Provide a couple of specific examples of these services to Education Committee.
- Appear to be over 60 districts that do not offer PreK.
    - A different survey went out those districts not offering PreK.
- Would be interesting to see the PreK programs being offered by districts with high disadvantaged populations and what services they offer.
    - Hope to have this by the Dec 4 meeting.

V. Priorities –

Charge of the Commission to make recommendations on all items below, there is strong support to advocate for items 1, 2, and 3, in that order.

1. Public preschool programs
2. Support for economically disadvantaged students; Title I funds
3. Professional development and collaborative time needed to implement proficiency-based learning
4. Regional cost adjustment for teacher salaries
5. Debt service for locally approved school construction projects
6. Special education allocation for minimum subsidy receivers
7. State contributions to fund the cost of the unfunded actuarial liability (UAL) for retired teachers

VI. Discussion -

<u>Public preschool programs</u>

- Focus on policy for now as there is still some work being done on the financial side
- Ed committee received bill on universal PreK. Districts are responsible for initial start-up costs and for first year of program costs, but it is cost prohibitive for most districts. $4 million was allocated for districts to expand/start-up PreK

programming. DOE applied for federal grant to expand PreK and will hear by Dec 10.

- Commission agrees that expanding public PreK is priority number one.
- How can the funding model be changed to support PreK development and expansion at the local level? Adding 10% extra allocation to EPS to support K-2 programming didn't seem to work.
- Districts are receiving a full per-pupil allocation plus the additional 10%; there is plenty of funding available for them to provide transportation and meals for a ½ day program. Not the fault of the model, it's the allocation.
- Possibly adjust the model after the DOE rules get adopted to reflect transportation costs. One-time grant for program start-up.
- State mandate of offer PreK. Should this be reinforced? Should the State pay for it at 90 or 100%?
- Severe limitation to funding education through the EPS formula – have resorted to using targeted grants for this.
- Hoping that the funding will accommodate all districts meet these program needs; space, new construction, renovation…
- Need clarification around what was done in the budget bill regarding the grant funding for start-up costs using the casino money.
- Need Fiscal note clarification

Break for lunch 12:04 to 1:14 p.m.

Discussion continued –

- Fiscal note clarification –
  - $94, 310,123 is the total estimated cost for Section 5, Paragraph B (Item 1, B. from the Public Preschool Initiatives handout from today) although $34,485,116 is already accounted for in the funding formula
- Unclear about what is preventing districts from providing PreK programming
- Some districts without PreK programs allow superintendent's agreements for their students to participate in programs in neighboring districts
- Explanation on $4M - for FY 15-16 (funding for start-up costs for PreK programming)
  - Special revenue account (casino money)
  - Must be presented and passed as part of the budget
  - Language implies that it's part of GPA
  - How will the federal grant funds impact this (if received)?
  - 13 Applications have been received from SAUs for federal grants (five full days, for a minimum of 5 days) SAUs had to ensure that they could sustain the program after the federal grant period ended (4 years). Majority of applications between 65-85% free and reduced lunch.
  - First year will be funded by federal grant, then students will be counted and subsidized by state funds.
  - State's $4M could be used to fund those not qualifying for the federal grants.
  - No application process has been initiated by DOE - the DOE does not have the money and does not know if they will receive the money.
  - DOE needs the Rule (Chapter 124) finalized before they can determine eligibility through an application process.

******Commission Recommendation – Advises the DOE to begin the application process for the $4M worth of grants available through the state.*

- Transportation costs –
- Start-up costs/Capital costs –
- Commission will digest the discussion on PreK and continue at Dec 4 meeting

<u>Support for economically disadvantaged students; Title I funds.</u>

Title I Adjustment Options - Dr. Silvernail provided an overview of handout

- Currently Title I is not part of the EPS formula
  - Include in EPS keeping current teacher:student ratios
    - Would increase Mill rate
  - Include in EPS increase ratio by one student
    - No apparent increase to Mill rate
  - Include in EPS reduce ratio by one student
    - Would increase Mill rate – most expensive
- Costs
  - High receiver
  - Moderate receiver
  - Lower receiver
    - Big shift – reduction in state allocation, increase in local contribution
- Do Commission members have sufficient information to meet their charge and make a recommendation?
  - Need to try to avoid winners and losers in our recommendations.
  - Is it possible to account for Title I funds without them being included in the allocation?
  - 17, 16, 15 ratios include Title I funded teachers; however, the values are backed out on the ED 279.
- Three options before us (pg 1 of Title I Adjustment Options handout)
  - Potential fourth option - one of do nothing
  - Potential fifth option– remove all reference to Title I from the formula

******Most Commission members support Option 1 – Include Title I Funds in EPS Rate calculation (DOE abstained; not authorized to support at this time)*

- *Reminder from Dr. Silvernail that this option is funded through the formula which will impact both state and local contributions*

<u>Extended Learning Opportunities</u>

Option for Increasing Funding for Extended Learning Opportunities - Dr. Silvernail provided an overview of handout

- Funding inside or outside the funding formula
  - All schools
    - Easiest to administer
  - All schools that meet eligibility criteria
  - Competitive
    - Concern for grant writing in districts that may need it the most

- Hybrid between option and 1 and option 2 – all for accountability but need flexibility at the local level for use of the targeted funds; needs change from school to school or summer to summer
    - Criteria for qualifying based on achievement or based on poverty or both? Doesn't this get at the achievement gap?
        - All economically disadvantaged students who are also struggling with proficiency.
        - All economically disadvantaged students, regardless if they are struggling or not with proficiency.
    - We can't make it so difficult so that those in the trenches don't create programs because it is too difficult to apply.
- Commission members support option to have funding in the formula and to all schools who have disadvantaged students
- Districts apply
    - Summer
    - Hours
    - Academically focused
- Report on how they qualify
    - Economically disadvantaged
    - Struggling recommendation
- Four options before the Commission
    1. Targeted funds in EPS model – all schools qualify
    2. Targeted funds in EPS model – based on free & reduced lunch count
    3. Targeted grant outside of EPS model – all districts can apply
    4. Targeted grant outside of EPS model – districts apply, must meet criteria
        - Specific program descriptions/meet threshold for free & reduced lunch

******Commission Recommendation – Options 2 and 4 received the most support from Commission members*

- *Targeted funds in EPS model – based on free & reduced lunch count*
- *Targeted grant outside of EPS model – districts apply, must meet criteria*
    - *Specific program descriptions/meet threshold for free & reduced lunch*

<u>Debt service for locally approved school construction projects</u>

- No discussion
- Suggestion NOT to include debt service in the required local share of school funding

******Commission members supported NOT including debt service in the required local share of school funding*

<u>Special education allocation for minimum subsidy receivers</u>

******Commission recommendation was to put forth to follow the option provide on page 3 of CJ Betit's proposal minus the last sentence under Rationale.*

- *For each one percent increase in the state contribution, or portion thereof, the special education allocation will increase by 10.3% of the state contribution increase amount until the 100% funding requirement is reached.*

State contributions to fund the cost of the unfunded actuarial liability for retired teachers

- Discussion that it is Not appropriate to include UAL in the cost of the current cost of education

******Commission members supported NOT including UAL in the state contribution.*

Regional cost adjustment for teacher salaries

Five options before the Commission

1. Update current LMAs - reduces cost by $4.4M
2. Update and Set all at state average – reduced cost by $.9M
3. Update and Raise LMAs below 1 up to 1 – cost $29M
4. Update and bound range of .95 to 1.05 – reduces cost by $4.2M – target for salary increase
5. Mix of updating LMA adjustment and bounding - reduces cost by $2.7M

- Do some districts have to pay higher salaries based on where they are?
- Is that driving the competition?
  - The adjustment is supposed to recognize reality, but how do we meet districts where this is not happening? Does it fall within the Commission charge?
  - Some districts benefit from LMA, but they don't use it for teacher salaries.
- Do not want to incentivize districts to do the right thing when others are already doing it.
- Purpose of adjustment is to reflect reality
- If we support option 1 will it kill the conversation in the full legislature?
- If we support another option will it keep the conversation going?
- Did the Commission already complete its charge? Should all research and analysis on LMA simply be given to the Education Committee for them to decide?

Recommendation by chairs for Commission members review LMAs on their own and bring it back to meeting on Dec 4 ready to discuss

VII. Next meeting – all meetings will be held in the Education and Cultural Affairs Committee Room 202 of the Burton Cross Office Building, 111 Sewall Street, Augusta, ME.

- December 4 - full-day

VIII. Meeting ended at 4:14 p.m.

Respectfully submitted by Jennifer Pooler
Approved: