**SJR 4 Education Funding Improvement Commission Meeting #4**

**February 8, 2016**

**Townsend Building, Cabinet Room**

**MINUTES**

**Member Attendees:**

Rep. Earl Jaques Michael Jackson

Rod Ward Kevin Carson

Ray Jones Avery Jill Floore

Claudia Porretti Ed Ratledge

David Blowman Rep. Briggs King

Walter Gilefski Brian Maxwell

Heath Chasanov Darryl Scott

Mark Stellini Vicki Gehrt

Kathie Cherry for Robert Overmiller

**Members On The Phone:**

Kristen Dwyer

Ashley Dalzell Gray

Sally Maldonado

Madeleine Bayard

**Members Not In Attendance:**

Barbara Rutt

Sen. David Sokola

Lindsay O’Mara

Sen. Gary Simpson

**Non-Member Attendees:**

Rep. Kim Williams Bill Doolittle

Donna Johnson Robert Sulber

Jason Hale Jerry Gallagher

Scott Kessel Eli Namos

Ada Puzzo Lynne Howard

Tina Shockley

The fourth meeting of the Senate Joint Resolution #4 Education Funding Improvement Commission was held on February 8, 2016 at the Townsend Building, Cabinet Room in Dover. Chairman of the Commission, Darryl Scott called the meeting to order at 9:09a.m. The Chair noted that our timeline for a March report is tight. Given today’s presentation and the great deal of research to digest, he is recommending that we request additional time to complete the work. He noted there may be some recommendations we can put forth (i.e. schools adjust operating tax rate), but that there is concern that we give greater flexibility with less dollar. It will take more time to pull together a consensus on a student weighted funding model. Lastly, regarding reassessment, it is important to note that equitably funding education is an issue. He noted the group would need to come to consensus on recommendations for the General Assembly by early May if possible. The Chair noted that he would submit communication to SJR 4 sponsors to request to extend our deadline. The group took a vote on this decision. It was motioned by the Chair Darryl Scott, seconded by Kevin Carson and everyone was in favor. The motion carried.

There were some clarifications to statements made in the minutes of Meeting #3. These will be made. With those amendments. Rep. Jaques and Mark Stellini motioned to approve the minutes. Everyone was in favor and the minutes were approved with amendments.

Next, there was a presentation on traditional weighted funding model that was introduced by Rep. Paul Baumbach and given by David Blowman. Rep. Baumbach noted that while a number of people have looked at this work, including David Blowman and Hanover Research, he believes the existing student funding system in Delaware is broken. The clearest example of this is the equalization funding formula, which we have not touched as it is currently frozen. It is a way to fairly fund public education, but it is frozen due to ongoing challenges. He called on the group to lead the change.

He suggested that we need principals to have salary caps, and allow them to assess their needs for their building. He recommends giving them set dollars and working with it. He noted teachers want to teach kids with great needs, but they are in an environment that supports them, with resources. While other states have recognized this, we have not moved forward.

Rep. Baumbach noted that there is a large amount of data we need to assess in order to make good decisions. It is all about the kids, but it’s intimidating to change the way we are funding our public education system. WEIC voiced this thought as well. He strongly encouraged the group to act now.

Jill Floore noted that she and others in schools did not necessary agree with those statements made. She believes there is a fundamental disagreement. She has broad consensus from the teachers that a new system is not what is needed, but rather a fix to the existing system.

Mr. Blowman explained what occurred following his conversation with Rep. Baumbach. We were already engaged with Hanover Research, a well-recognized research firm, to create Benchmarking State K-12 Funding Models (see Attachment 1). Rep. Baumbach wanted to know what it would look like if we ran our current system through a pure weighted student funding model. The result is Attachment #2 – Weighted Student Funding Model, which was available to the group.

A second set of documents (Attachments #2 and #3) – Phase I Student Spending and Academic Outcomes and Phase II Student Spending and Academic Outcomes: School Analysis. These documents simply shows the funding each school would get (in cash) if that model ran purely.

Another set of documents (Attachment #5) – Student Funding Formula Comparison, which was prepared in September 2015 compares funding with current pupil expenditures as calculated (given variables). For example, it shows how Vo-techs could lose a lot of money. This document is flexible in that it can be run at a school level or district level. Also Attachment #6, Return on Investment document was referenced.

Rep. Baumbach noted that when last year’s priority schools were announced, it was identified that we are spending more on suburban schools and less on urban schools. This is a sign the system is broken.

He continued to state that teachers with seniority will seek employment at schools with lower needs. They are not avoiding high needs students, but rather avoiding schools with low resources. We should have the dollars follow the need. A salary cap and student weighted funding system would address this.

Others noted that they don’t agree that our system is broken. One member noted that equalization is frozen due to a lack of initiative /guts to go thru reassessment process. He noted the General Assembly in 2008 passed HJR 22 that laid out how reassessment could be done. However years go by and nothing is done. It is a political football. He encourages others to have the nerve to go through reassessment, correct the issues at hand, and provide fairness and equity (which now rest in how we collect our taxes). As long as school funding is based on assessment/taxes and we don’t fix it, we are just perpetuating something that is wrong.

Our existing system can work if we address what is wrong with the system. We need to stop worrying about assessing beach property owners, and worry about the kids. We need to make the system works.

Kristen Dwyer indicated that her first instinct is to thoroughly read report and share with leadership. She noted the state should make sure we are providing for resources for schools and students before doing a salary cap. Kristen also requested that these meetings be held after the regular school day so teachers could attend.

Another member, wanting confirmation, asked didn’t we offer teachers more salary to go to high needs schools. His question was affirmed.

Jill Floore noted that in the Christina School District high needs schools were the only positions open.

Mr. Blowman noted that the model doesn’t cap salary, rather it allocates cash to schools based on student weighted funding. It gets more resources to schools with more need. It’s redistribution.

Jill Floore said there are some schools who are not particularly high or low income, and implementing a student weighted funding system could be problematic. She gave the example of meeting with parents who believe that districts/the state are taking funds from the city and sending it somewhere else. Every principal is given the same, but are not able to recruit/retain at the same rate. Priority schools have teachers who say they have the resources.

Chairman Scott noted that if you assume the new model, that any new system not involve less funding Additional dollars are needed for redistribution and reassessment. He continued that Maryland determined funding was not sufficient to get outcome, so they plan to add additional investment over the next few years.

The Chairman encouraged the group to put forth a recommendation for reassessment, as this is a fundamental issue to get funding for students.

Another member asked if the solution may include keeping the same system and fixing equalization. The group answered yet and one member noted that city school funding is fundamentally fair and transparent, but students from high poverty are ignored. It needs resources directed there not changing a fundamental structure.

Kevin Carson noted that yes we could fix up our current system, and providing a letter of support for doing so to the committee (addressed to Chairman Scott) (Attachment #8). He believes we need an amendment to the existing system.

He noted that the outcome of the Funding Student Success Committee of the Wilmington Education Improvement Commission was voted on by 19 superintendents who are on board with improving the existing system. It can be fixed.

The member continued to say that due to the Citizen Oversight Committee, funding is transparent. It’s a straightforward as Division I, II, and III.

Rep. Jaques agrees with Dr. Carson that the existing system needs refinement. Rep. Jaques requested to be on the April meeting agenda to present a proposal for property assessment.

Ray Jones Avery comment that while many believe the system is “transparent” and “fair,” it ignores high needs students. These two statements are contradictory.

Rep. Jaques indicated that $4 million for children in poverty (weighted funding) has been designated for Red Clay School District. By middle of May JFC will have to decide on what is the appropriate amount. $2 million to address redistricting, and all of that will still need to go before the State Board of Education.

Ashley Dalzell-Gray question are we, as a committee, going to have a vote or confirm where we want to spend time and energy?

Chairman Scott recognized there is not currently a consensus. He talked about discussing this at additional meetings, and trying to reach consensus on some items so that we can move the committee forward.

Rep Briggs King suggested doing a survey of members online to have them provide their top 3-4 things the group should be the focusing on (i.e., referendums, charter/traditional public school, reassessment, etc.) She reminded the group that reassessment takes a significant amount of money.

Chairman Scott reminded the group what the resolution tasked us to do.

Next, there was a presentation on Equitable Funding Models (Attachment #9) given by Marguerite Roza, of Georgetown University and Director of Edunomics Lab. She reviewed recommendations on changing the current funding formula as determined by her research.

At least one member noted that Dr. Roza’s presentation makes sense, very applicable. Dr. Carson noted that a few years back that the decision making was done at the building level model. We recommended that a school based team would “buy in.” However people backed off because they don’t want to make tough decisions. He asked Dr. Roza has anything been happening nationally to address the tough decision? She found that the change happened over time. The first few years may have little change but in a few years they have collected data and so they are then able to look inward which allows them to provide the greatest opportunity. This is where we start to see behavior change. They start to assess how they can build positions differently to ensure the best options are made for students.

Kristen Dwyer asked about giving buildings ability to staff, and noted that decision making comes from local school boards not schools. She asked Dr. Roza, in your experience, how genuinely has this been applied? Dr. Roza noted that states must be clearly transparent about what they are doing at school level. This should be part of any changes made to the system in Delaware. However, schools sometimes do not want input on some items. They are happy to have the district own it.

A member noted the group is spending a lot of time on the state formula, but not enough time on local funding. What flexibility and opportunity exist on the local side (reassessment)? Are you seeing districts that are under the referendum process (lengthy vote)?

Kevin Carson asked Dr. Roza, do you have states you use as examples. Does it come from state or local side? State and local money went into our analysis, assumes that some portion of a local generated share is part of the state formula.

Brian Maxwell commented on the nature of the flexibility (Title I).

Jill Floore noted that large districts have tremendous flexibility, while smaller districts have fewer resources (and less flexibility). They need more flexibility. Dr. Roza noted they are allowed to use them with Title I dollars, attach them and give to schools, that there is infinite flexibility and no restrictions on its use. Dr. Roza noted that schools could phase out the loss over time. Ultimately, schools can forecast how that will be phased out.

Another member believes that Dr. Roza’s presentation is an advocacy paper. He remembers that we are talking about units = students. He points out the new federal law (ESSA) and he wants to be sure “weighted student formula” is in the law. New unit for poverty based students. We must ask how flexible do you want to get? He is not in agreement with current new law.

Another member noted that she is dismade as to how we will come to a consensus. She notes her concerns that there is very little funding for high poverty students, and no additional funding for ELL student. There was some agreement within the group, and it was noted that something has to change if we want to protect our students.

Dr Roza responded that she doesn’t have a stake in Delaware, and that she simply read and created the presentation to leverage the best dollars for the greatest number of students.

Rod Ward noted that moving to a student weighted funding brings more accountability, transparency, and this is why other states have moved this way. The Chair agreed this is our challenge - - to make recommendations, transition to student focused weighted funding and introduce flexibile way to allocate funding.

Again the Chair recommended making recommendation relative to transition of student focus weighted funding, introducing flexibility as to improve the way to allocate funding.

Next the Chair called for Public Comments. Bill Doolittle made public comments and handout a document to everyone (Attachment 5).

He notes:

* Delaware has a needs based, student weighted funding system. It has gaps in it, but ELL and poverty are missing.
* He notes the Dr. Roza presentation is not accurate - 30% on students with disabilities missing
* We have local allocation that gives principals in schools ability to hire/fire
* Efficiently, transparency that is supported.
* Concerns with new ESSA
* He notes that the dollar based system has some advantages, but in some places it creates risk (8-10% cut for Spec Ed, because those teachers have longer tenure, etc.). For administrators it may be good.

Mr. Doolittle will provide his comments via email.

Rep. Williams noted that Mike Matthews provided language that clarifies his public comment in Meeting Minutes #3.

Chair reiterated his commitment to asking for more time for the commission to complete its work. He also noted that we would do a Doodle poll for the next meeting time. One member asked if it would occur in the afternoon and the Chair said yes.

Chairman Scott adjourned the meeting at 11:06 a.m.

Drafted 02.08.16