

Fiscal Stability Committee
Meeting Minutes
March 15, 2013

Committee members present: Rob Winslow, Geoff Thomas, Joy Rapp, Laurie Boeckel, Wayne Freedman, Teresa Jackman, Roger Quarles. Staff support provided by Marilyn Whitney

The group affirmed Rob Winslow as the chair and asked Geoff Thomas to serve as co-chair.

The tasks before the group included:

- Providing an overview of the group's strategies recommendations to the new members joining the group.
- Reviewing and refining the strategies and recommendations
- Determining who from the committee can attend which of the April community forums.

Mr. Winslow provided some background on the first three strategies developed at the previous meetings.

Strategy #1: Develop and Implement a new funding model based on enrollment/membership

Strategy #2: Establish stable funding to ensure all Idaho students will be college and career ready.

Strategy #3: Develop and implement a new fully funded salary model for certificated, classified, and administrative staff

All three of these strategies had the same recommendation – to commission a study group to analyze and make recommendations on funding model.

Mr. Winslow informed the group that while there is no funding available from the State Board, the IASA may be willing to provide some funding for a study of funding models and best practices

The group discussed developing a new funding model based on enrollment/membership rather than on the current ADA and attendance model. They also discussed the current over reliance on local supplemental levies and its impact on districts, especially districts that are not able to pass levies. The inequities among districts are even more pronounced now. There is a significant issue of equity and adequacy especially between rural and urban districts, which cannot be addressed with the ADA formula.

The group discussed looking at research and funding models in other states.

They posed a fundamental question to study:

What is the basic amount of funding needed to adequately educate a student in Idaho?

The group suggested areas to research to address this question:

- More examination and study of Dr. Marguerite Roza's research on funding and achievement for the Center on Reinventing Public Education
- Comparisons with other states. Research how other states address this question.

- Adjustments for rural districts (will the model need to change for rural Idaho?)

All agreed there is no perfect model that can address all the needs.

Establishing an equitable base is a goal. Key points to consider include:

- Reasonable freedom to districts to have a relationship that focuses on student achievement
- A statewide salary schedule
- A solution that works in rural Idaho

The group discussed the need for flexibility at the local level. Superintendent Thomas suggested that districts get flexibility with funding but agree on a standard of accountability. Then it is up to the districts to meet the expectations. He explained that districts don't need to be told how to teach. They do need support for instruction in the classroom. Educators know what works. It is a matter of trust – the legislature doesn't trust districts, districts don't trust teachers, teachers don't trust administrators, etc. All groups have to earn trust.

Mr. Quarles agreed that flexibility at the local level is key. Districts should have the ability to reduce staff and increase class sizes if that allows them to pay more. Teachers could make more and schools would have a lot more capability. Flexibility at the local level allows districts to incentivize staff and teachers to do the jobs necessary.

Geoff Thomas recommended a book by Daniel Pink called "Drive," which evaluates what motivates people to excel. It's necessary to meet basic needs and to help staff buy into a system that creates a good quality education for the next generation.

The question then becomes what is the measure(s) of accountability – SAT, grades, go on rate, remediation rate, etc.? The group agreed that reasonable freedom to districts with a focus on student achievement could create a system that gets results and identifies who is doing it right.

Teresa Jackman shared the perspective that for teachers, fiscal stability means collaboration time, and preparation time. As funding decreases, music and PE teachers are cut, which takes away preparation and collaboration time.

The group discussed studying a new fully funded statewide salary model for certificated, classified, and administrative staff

- Current salary schedule is not fully funded
- Current salary schedule is not adequate to recruit and retain the best
- Current salary schedule is based on outdated and non-differentiated compensation
- Districts are supplementing current salary schedule to stay competitive
- Negotiate statewide benefits package for teachers statewide

Questions/Issues this approach poses include:

- How do you compensate certified vs. classified staff?
- How does it flow to the districts? How do you provide flexibility at district level?
- Need to establish carryover levels for federal funding.
- Are there states who have similar systems? Washington is one to study.
- How can you allow differential for different areas but set a cap at some amount?

The group moved on to a discussion of Strategy #4.

Strategy #4: Incentivize districts in efforts of collaboration of services

The group discussed the need for better collaboration within and among districts.

There are good models of collaboration:

McCall and Council established a regional high school for some courses. This requires aligning schedules and there has been pushback on doing this.

Council and Cambridge are sharing clerk and IT staff. One district reimburses the other district.

The group discussed some of the existing barriers to consolidation and collaboration:

- If the districts lose funding by consolidating services, they won't do it.
- Describing certain positions on ISEE is difficult. ISEE can't recognize that there might be a school within a school.
- There are also potential issues with how to access Schoolnet.
- Districts and schools are reluctant to change schedules.

The group agreed that it is important to start talking about where it's working and how.

The group also discussed revenue sources. The shift from personal property tax created the need for local supplemental levies. In order to have fiscal stability, it's critical to identify a revenue source and equalize funding across districts. The current model is very unequal.

Discussion items included:

- Putting PSEF into the constitution
- Stipulating that PSEF can only be used in these limited circumstances
- Put in statute that each district must have a certain amount in reserve
- Move to a system where the money follows the student. It could be weighted (as the current divisor system does).

Geoff Thomas commented that the group needs to emphasize that schools and districts can't cut any more. The state needs a stable resource base.

Message points for the community forums were identified:

The overall goal is to create a more equitable and adequate funding system and improve efficiencies across the state with less reliance on supplemental levies.

- Develop a statewide salary and benefits schedule
 - Use a more common sense approach that is easier to understand and can help recruit and retain good teachers.
- Provide reasonable flexibility for districts
 - Move away from line items and more toward flexible funding that provides a certain amount of variability based on results.
 - Provide flexibility with accountability
 - Set standards and hold districts accountable / state sets those standards
 - Fund based on results rather than driving inputs

- Consider a membership/enrollment model instead of the current ADA funding model
- Establish regional service districts to improve efficiencies of services– ESD or SLP
 - Work with postsecondary institutions that can serve as ESD's for districts

The group discussed the schedule for the upcoming community forums and which group members would attend:

April 10	Caldwell Community Forum	Roger Quarles & Laurie Boeckel
April 11	Twin Falls Community Forum	Teresa Jackman
April 15	Coeur d'Alene Community Forum	Wayne Freedman
April 16	Lewiston Community Forum	Wayne Freedman
April 22	Idaho Falls Community Forum	Geoff Thomas and Teresa Jackman
April 23	Pocatello Community Forum	Geoff Thomas and Teresa Jackman
April 24	Boise Community Forum	Rob Winslow