



## Proposal to Develop a New School Funding Formula for the State of

# Idaho

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## Introduction

Education Commission of the States (ECS) has been assisting Idaho's Public School Funding Formula Committee (the Committee) since May 2016 in its goal of improving the state's school funding system. At a meeting in early February, Committee members asked ECS to assist the state in designing a new school funding formula for Idaho. The following is a proposal from ECS to design a new formula for the distribution of state education funding in the state of Idaho. Any questions about this proposal can be directed to:

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## A Time for Change

Idaho's current school funding system makes use of a position allocation system to distribute the majority of state education funding to districts. A position allocation system provides funding for specific staff positions (teachers, librarians, administrators, etc.), goods (textbooks, technology, supplies), services (transportation, food services) and educational activities (after school, summer school, reading programs). These school funding systems tend to provide districts and schools with very little flexibility on how to expend their state education dollars. Position allocation funding systems were designed at a time when almost all students attended brick-and-mortar schools in their local communities. Today, students are more mobile — during the school year or even the school day — and are educated in new ways that include:

- Charter schools.
- Competency-based learning.
- Dual/concurrent enrollment programs.
- Non-traditional career and technical programs.
- Online learning.
- Open enrollment programs.

The lack of flexibility in a position allocation system restricts schools and districts' ability to offer students these new learning programs. Idaho's current school funding system has 34 separate categories — each with their own requirements and restrictions. The restrictive nature of the state's funding formula may be preventing schools and districts from offering the types of educational programs that students may need to excel. If the state moved to a less restrictive funding system, such as a foundation formula, Idaho's schools would have greater ability to offer students the type of learning programs that they need to succeed in today's competitive environment.

## Creating a Foundation Formula for Idaho

The ultimate goal of changing the state's school funding formula is to improve student learning in Idaho. However, for any new funding system to succeed, it would need to gain buy-in from the majority of districts in the state. In addition, the state of Idaho is not currently in a position to dramatically increase its funding to public schools, so a new formula would need to be able to work under the state's current funding levels. Thus, any new school funding formula would need to achieve all of the following:

- Increase flexibility in funding decisions for schools/districts.
- Create greater adaptability to future changes in how education is delivered in the state, including mastery-based and personalized learning.
- Be functional under the state's current spending levels.
- Have the ability to be phased in over a period of time (not to exceed five years).
- Hold all districts harmless from any reduction in funding during the transition.

ECS believes that it can achieve all of these goals by working with members of the Committee, other members of the state legislature, legislative and State Department of Education (SDE) staff and other individuals from Idaho's school funding community to develop a new school funding formula for the state.

## Working With Committee Members

Our plan is to attend four Committee meetings in Idaho. At the first Committee meeting, we will present our plan, timeline and goals for engagement. We will also be available to answer questions that the Committee members have and listen to their priorities. In addition, the first Committee meeting will serve to further frame the engagement for the rest of our school funding work. At the second Committee meeting, we will present a progress report to members. By this time, our regional focus group meetings will be underway and we can share our findings from this research. At the third meeting, we will present a model of the new foundation funding formula to the Committee. After receiving feedback from Committee members at this meeting, we will draft the final report, which we will present at the fourth and final meeting. At this final meeting, we will also present the dissemination plan to Committee members. Please see our attached timeline for more information about how the Committee meetings will fit with our other proposed work.

## Gaining Input From the Public

ECS will hold five regional meetings around the state of Idaho to gain input from the education community. These focus-group-style meetings will be an important source of information as we move forward with the creation of a new foundation formula for Idaho. Knowing the priorities of the people who implement these policies will help us to ensure that we are working toward the creation of the best possible funding system for the state. These regional meetings will help our team develop a better understanding of the impact of current school funding policies on public schools, and the input from these meetings will ensure our recommendations are based on real-world solutions to improve Idaho's education system.

The meetings will be held throughout the state, emphasizing the geographic diversity and unique perspectives that Idahoans bring to school finance. Meetings will be held in the north, central, south, southeast and southwest regions of the state. We will work with legislative and SDE staff to identify relevant school personnel to attend these meetings to share their questions, concerns and ideas for how to improve public school funding in Idaho. We will ensure that

representatives from different-sized districts, various types of schools (e.g., charter schools) and any other individuals and stakeholder groups are included in these meetings.

The regional meetings will cover any and all topics that the Committee deems necessary, and we will work closely with Committee members to identify meeting objectives. Emily Parker and/or Michael Griffith will facilitate these regional meetings, along with additional support from ECS staff.

## Elements to Be Included in the New Formula

ECS staff will meet with legislators, staff, school district personnel, and other stakeholders to determine which of the 34 funding distributions should be retained or included in the new proposed foundation formula.

## Project Deliverables

The following are the planned deliverables from ECS' school funding proposal:

- **Design a new school funding formula for the state.**  
Upon conclusion of the project, we will present to the state a fully formed school funding formula that can be adopted into state legislation.
- **Work with legislative and SDE staff while minimizing their workload.** Our goal is to keep staff continually informed about the project (we have planned for biweekly phone calls with staff) and to seek out their advice and input. We aim to have the least impact possible on their daily workload.
- **Create an interactive school funding model.**  
ECS will work with third-party contractors to create a working model of the new proposed formula. This new model will be designed on an Excel spreadsheet and will be interactive so that members of the committee (or members of the public) can see how changes in policy would impact funding to their local schools.
- **Work with the Committee on a dissemination program.** ECS' communications staff will work with members of the Committee to design informational materials for both the new funding formula and the interactive model. Materials will include the creation of briefing memos, press releases and an informational video.

## Timeline

ECS proposes that the project begin March 1, with a completion date of Nov. 6. A full breakdown of the project's planned timeline is attached to this proposal.

## Budget

ECS bases its budgets on a daily billable rate per employee. ECS billable rates are designed to encompass all employee costs, including salaries, benefits, overhead, management expenses and incidentals. Because of this, ECS does not bill separately for these expenses. The only costs that ECS bills separately are pass-through expenses — which, for this contract, would include travel expenses, meeting costs and third-party service contracts. The following are the list of daily billable rates for ECS employees:

- Michael Griffith: \$1,200 per day
- Meeting staff: \$625 per day
- Emily Parker: \$700 per day
- Researchers: \$500 per day

The following is an overview of the budget for the proposed work, per each deliverable; a full breakdown of the budget is attached.

### Proposed Budget

Deliverable	Expense	Notes
<b>Biweekly conference calls</b>	\$3,800	One call every other week for approximately 8 months
<b>Meeting planning</b>	\$10,950	
<b>Committee meetings</b>	\$34,800	Four meetings at \$8,700 per meeting
<b>Regional meetings</b>	\$75,500	Five regional meetings at \$15,100 per meeting
<b>Research</b>	\$19,000	
<b>Draft interim report</b>	\$19,000	
<b>Construction of new funding model</b>	\$39,800	Includes \$35,000 in subcontracts to construct a new interactive funding model
<b>Draft and design final report</b>	\$17,800	
<b>Public dissemination</b>	\$27,800	Includes production of handouts, press releases and an informational video
<b>TOTAL COSTS</b>	<b>\$248,450</b>	

### No Cost Overruns

Because state policymakers must have predictability when budgeting for projects, ECS proposals are designed to ensure that there will be no cost overruns. Our proposed budget is the maximum that ECS will bill the state for this project.

## ECS Experience

ECS staff have been assisting state policymakers with reforming their school funding formulas since 1975. Current staff have over 20 years of experience working with state K-12 finance systems. ECS has recently worked with the states of Delaware, Illinois, Montana and South Dakota to improve how they fund public education. We would be happy to provide you with references from these – or other – states that would attest to the depth of our knowledge and quality of our work.

ECS staff have been working with Idaho Committee members and staff since spring 2016 to improve the state’s funding system. In addition to presenting to the Committee on multiple occasions, ECS staff have provided research and technical assistance to the Committee. Our work with the Committee and its staff has allowed us to gain a better understanding of the issues with the state’s current funding system and the state’s goals for any new finance system. ECS staff will use their prior experience in other states, along with our understanding of Idaho’s current system, to help the state design a new school funding formula that will allow Idaho’s students to better achieve their educational goals. Once a new funding system is designed, ECS will help the state transition to this new funding system.



# Budget

Activity	Attendees	ESTIMATED NUMBER OF DAYS											ECS Staff Costs	Travel	Contractors	Meeting Costs	Total			
		Emily Parker	Michael Griffith	Jeremy Anderson	ECS Researcher 1	ECS Researcher 2	ECS Meeting Team	ECS Comms Team*	Primary Sub-contractor	Secondary Sub-contractor										
Ongoing research and writing by ECS staff	Griffith and Parker	10	10																\$19,000	\$19,000
Biweekly conference calls between ECS and legislative staff	Griffith and Parker	2	2																\$3,800	\$3,800
Meeting planning	Parker, ECS Convene Team	5	1			10													\$10,950	\$10,950
Public School Funding Formula Committee Meeting 1: Present plan, timeline and goals to the committee	Griffith and Parker	3	3	1.5															\$5,700	\$8,700
Five regional meetings: Focus groups of key education stakeholders in Idaho	Griffith, Parker and 2 ECS researchers	20	20		10	10													\$48,000	\$75,500
Public School Funding Formula Committee Meeting 2: Present progress report to the committee	Griffith and Parker	3	3																\$5,700	\$8,700
Build/review funding formula model	Griffith and primary/secondary subcontractors		4										1	1					\$4,800	\$39,800
Draft interim report	Griffith and Parker	10	10																\$19,000	\$19,000
Public School Funding Formula Committee Meeting 3: Present interim report and funding formula model to the committee	Griffith, Parker and primary subcontractor	3	3																\$5,700	\$8,700
Draft final report	Griffith, Parker and 2 ECS researchers	10	9																\$17,800	\$17,800
ECS Communications Team support	Griffith, Parker and ECS communications team	6	3									1							\$27,800	\$27,800
Public School Funding Formula Committee Meeting 4: Present final report to the committee	Griffith, Parker and ECS communications liaison	3	3	1.5															\$5,700	\$8,700
<b>Daily Billable Rate</b>		<b>\$700</b>	<b>\$1,200</b>	<b>In-Kind</b>	<b>\$500</b>	<b>\$500</b>	<b>\$625</b>	<b>\$20,000*</b>	<b>\$30,000</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>Total</b>	<b>\$248,450</b>					
<b>Billable Costs</b>																				
Travel Costs - per traveler per trip	\$1,000																			
Costs per meeting	\$1,500																			

\*Communications Team support is a flat rate of \$20,000



## Timeline

Activity	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	Personnel	Notes
Proposal due to Idaho legislative staff											Griffith, Parker and ECS Leadership Team	Proposal due Feb. 16. Potential start date for the contact is March 1.
Ongoing research and writing by ECS staff											Griffith and Parker	
Biweekly conference calls between ECS and legislative staff											Griffith and Parker	Calls will be scheduled on a biweekly basis but their frequency may be adjusted depending on legislative staff needs and availability. Calls may also include legislators and State Department of Education staff.
Meeting planning											Parker, ECS Convene Team	ECS staff will work with legislators, legislative staff and State Department of Education staff to choose both meeting locations and attendees for the regional meetings.
Public School Funding Formula Committee Meeting 1: Present plan, timeline and goals to the committee											Anderson, Griffith and Parker	Date of meeting unknown.
Five regional meetings: Focus groups of key education stakeholders in Idaho											Griffith, Parker and 2 ECS researchers	Small, medium, large districts, charter schools, advocacy organizations.
Public School Funding Formula Committee Meeting 2: Present progress report to the committee											Griffith and Parker	Date of meeting unknown.
Build/review funding formula model											Griffith and primary/secondary subcontractors	
Draft interim report											Griffith and Parker	
Public School Funding Formula Committee Meeting 3: Present interim report and funding formula model to the committee											Griffith, Parker and primary subcontractor	Date of meeting unknown.
Draft final report											Griffith, Parker and 2 ECS researchers	
ECS Communications Team support											Griffith, Parker and ECS comms team	Edit/design/layout final report, dissemination plan, explainer video and/or 1-pager. ECS team will work closely with committee members on the communications plan.
Public School Funding Formula Committee Meeting 4: Present final report to the committee											Griffith, Parker and ECS comms liaison	Date of meeting unknown.
Contract Ends												Contract must be completed by Election Day Nov. 6.