

COMMISSIONER'S WORKING GROUP ON SCHOOL FUNDING

Reporting Back # 3

Voting procedure: Decisions to be based on 2/3 of quorum

Tentative positions: May 11th meeting

Issue #10: Special Education Funding

Working group supports that further research be done to develop a fair and efficient student driven special education formula and that the tuition billing system be reformed by requiring the serving school district or charter school cover 10 % of unfunded costs for open enrolled special education students with an exception provided for charter schools with an extremely high concentration of special education students.

Issue #11: Regional Cost Differences

Working group supports establishing a funding component as a regional cost differential allowance for the seven-county metro area funded by rolling the lesser of a district's remaining referendum (after the \$400 uniform general education levy roll-in) or \$400 per pupil into a new metro location equity levy equalized at the same rate as Tier I referendum.

Also to further study cost differentials for regional centers outside the seven-county metro areas.

Assumption would be that referendum cap would be adjusted for \$400 rolled into the formula but not for the additional \$400 included in regional equity adjustment. The grandfather cap would be offset by the regional equity adjustment. This would be structured so that no district would have access to fewer dollars (grandfathered districts).

Issue # 3: Referendum Roll-in and Uniform General Education Levy

Concerns

- The group was divided on whether districts should be required to levy the uniform general education levy or whether this should be optional, with no penalty for not levying.
- There were some concerns expressed about levies increasing by school board action when voters had turned down operating referneudms

Issue #12: Innovation Funding

Funding Based on Student Performance

Group would support a funding strand to include innovation and reward/dissemination at the minimum recommendation of the governor. Seeking additional funding/leverage from private businesses and the philanthropic communities.

Issue #13: Compensatory

Continue to allocate compensatory revenue based on concentration of students eligible for free and reduced priced lunch (poverty) at building level with a 80% cap but allow flexibility for school districts to allocate up to 10 % of the revenue for compensatory purposes.

Issue # 14: Policy Statements

- Policy Statement feedback – Mary Ceconni, Hector Garcia & Shari Thompson
-

Reporting Back # 2

Voting procedure: Decisions to be based on 2/3 of quorum

Tentative positions: May 4th meeting

Issue # 5: Formula Simplification part 2

Working group supports simplifying the formula accepting the MDE recommendations related to declining enrollment, safe schools, pension adjustment, training and experience and gifted and talented funding with the understanding that there will be a set-aside for the safe schools and gifted and talented components.

Issue # 6: Compensatory Funding

There will be further discussion on issue of compensatory revenue. Although 90 % would be based on poverty, concern exists about use of 10% directed to students who are not proficient. Will be discussed in conjunction with innovation funding.

Issue # 7: Basic Skills –Extended Time

Working group supports changing extended time by including under compensatory formula while providing greater flexibility to districts for how it is used. Consider calling “extended effort.”

Issue # 8: Limited English Proficiency

Working group supports changing LEP formula by extending eligibility from 5 to 7 years and increasing the funding for concentration aid from \$250 to \$350 for districts with ELL populations of 16 % or more.

Issue # 9: Integration Funding

Working group including integration funding in the general education program as a component of basic skills revenue and allocating revenue based on the number of students of color in each district. All districts with an integration plan would receive an allowance of \$585 per student of color with Minneapolis receiving an additional \$100 per student of color as a transition adjustment.

Policy would continue to require budget approval by MDE and revenue is the lesser of the allowance or actual expenditure under approved budget.

Concerns:

- Need to more clearly define acceptable uses.
 - Need to separate concept from achievement gap.
 - How do we demonstrate progress i.e. accountability?
 - Are there more innovative ways to use resources?
 - How can we transform diversity from a liability to an asset?
 - Need to be flexible in uses based on local needs and unique issues.
 - Should there be a floor to assure a minimum amount of funding?
-

Reporting Back 1

Tentative positions: April 20th meeting

Issue #1: All day kindergarten

Working group supports and acknowledges the importance of all day kindergarten for all children and support targeted funding based on poverty at this time with a long term goal of phasing in state funding for all students in the future.

Concerns:

- Needs to be optional.
- Some districts may have facilities or space issues.
- Transportation costs.

Issue # 2 Formula Simplification

Pupil weighting

Working group finds there is value in simplifying the pupil weighting by having elementary be weighted at 1.0 and grades 7-12 weighted at either 1.16 or 1.2 with an adjustment in the formula to either \$5,571 or \$5,685 to reflect this change.

Issue # 3 Referendum Roll-in and Uniform General Education Levy

Working group wishes to move forward and further explore the option of a uniform general education levy by rolling a portion of the referendum revenue into the basic formula.

Concerns:

- This done as part of package of changes.
- What will be new referenda cap?
- No increases in overall levy target.
- How significant is impact of redistribution of property taxes among districts?