

Potential Framework for Funding and Funding Accountability Decisions

Funding

- Use a combination of APA Adequacy Study recommendations, NCEE recommendations based on benchmark states, and staff options/simulations to update Thornton funding formulas, etc. (see below)
 - Formula funding would be phased in over time (*e.g.* 6 years) calibrated to the timeline set for the overall Commission policy recommendations to be implemented (*e.g.* 10 years)
- To the extent possible, develop estimates of the fiscal impact of implementing the Commission’s policy recommendations (primarily based on NCEE building blocks) including long-term cost savings that could be reallocated to support the Commission’s policy recommendations
- Most of the funding to support the policy recommendations would come from formula funding directed to the LEAs, with release of a portion of the formula funding conditioned on meeting specified requirements/making progress in successfully implementing Commission policy recommendations
- New formula funding for LEAs to be augmented by:
 - Infrastructure/capacity building funding at the State level for MSDE and an independent entity tasked with monitoring implementation of the Commission’s recommendations (*e.g.*, develop statewide career ladder framework, increase teacher certification requirements, develop curriculum supports “library,” etc.)
 - Competitive grants made to consortia of one or more LEAs **and** one or more colleges of education to redesign teacher preparation programs and teacher induction programs consistent with the Commission’s recommendations, including implementing career ladder for educators and school leaders

Funding Accountability

- Require LEAs to submit Educational Excellence Strategic Plans, which would lay out a plan to fully implement the Commission’s policy recommendations by a certain date (*e.g.*, 10 years) and set annual benchmarks to be achieved
 - State would provide technical assistance to LEAs to develop master plans, including a statewide training program that would help educators gain the skills and knowledge needed to understand the new system based on the Commission’s

recommendations and to make it work, starting with all local superintendents, then principals and teachers

- Require MSDE, higher education institutions, etc. to develop implementation plans to fully implement the Commission’s policy recommendations by a certain date with benchmarks
- Create an independent entity to review and approve plans before certain LEA funds would be released; annual review of satisfactory progress in order for LEAs to receive a portion of funding each year during phase-in.
- Menu of specific items to be implemented – must do vs. may do; order of implementation; level of flexibility allowed
- Independent entity c/would sunset after 8-10 years after an evaluation of its effectiveness
- MSDE would monitor implementation by school systems and individual schools, and if a system or school is falling behind with little or no signs of improvement, send in a “SWAT inspection team” of experts to review and analyze what is happening in the school and make recommendations for a plan of action to the local superintendent and board of education
- State and local formula funding must follow students down to the school level. MSDE and DLS would review funding data annually to ensure that school systems are allocating funds to the schools in this manner. (As a practical matter, this alone will change dramatically the way funds are spent.)

Funding Decision Points

1. Foundation/Base per pupil amount
 - a. Inflation Adjusted
 - b. Successful Schools
 - c. PJ/EB
 - d. Other?
2. At-risk formulas
 - a. Compensatory Education (Free and Reduced Price Meal)
 - i. Lower weight? (per APA recommendation)
 - ii. Concentration of poverty index (*i.e.* higher weight at higher concentrations and lower weight at lower concentrations of poverty)
 - iii. Enrollment count – continue to use FRPM or switch to direct certification or some other method (which may affect weight)?
 - b. Limited English Proficiency
 - i. Lower weight? (per APA rec.)

- ii. Concentration index?
 - c. Special Education
 - i. Increase weight? (per APA rec.)
 - ii. Blended weight or by intensity level?
- 3. Prekindergarten Expansion
 - a. Full day for low-income 4 year olds (voluntary)
 - i. Include in FTE enrollment count?
 - ii. Additional weights?
 - b. Mixed public/private delivery system w/required level of EXCELS to participate/receive funds
 - c. Sliding subsidy based on income with up to 300% of poverty level free?
 - d. Expand half day for low-income 3 year olds?
- 4. Equity Issues
 - a. Local wealth calculation
 - i. Modify definition? (additive vs. multiplicative)
 - ii. NTI – use November date?
 - iii. TIF adjustment?
 - iv. Other?
 - b. At-risk funding floors for State share (40%)
 - i. Reduce for wealthier counties?
 - ii. Increase for less wealthy counties with high concentration of at-risk students?
 - c. GCEI/CWI
 - i. Eliminate?
 - ii. Switch to CWI?
 - iii. State continues to fund both State and local shares?
 - d. MOE – require locals to fund local share of at risk formulas?
 - e. Guaranteed Tax Base Program – Enhance? (*i.e.* power equalizer)
 - f. Supplemental Grant – continue?
 - g. Other?