

Meeting Minutes for the Governor’s Commission on Access to Sound Basic Education

Tuesday, April 10, 2018

10:00 am – 3:00 pm

George C Simkins, Jr. Elementary School, Greensboro, NC

In attendance: Dr. Fouad Abd-El-Khalick, Hon. Charles Becton, Ms. Melody Chalmers, Mr. Jim Deal, Mr. Alan Duncan, Hon. Rick Glazier, Mr. Mark Jewell, Ms. Leigh Kokenes, Dr. Helen “Sunny” Ladd, Dr. Patrick Miller, Mr. James Moore, Mr. Mark Richardson, Mr. Fernando Solano Valverde, Mr. Michael Williams, Dr. Stelfanie Williams, Mr. Brad Wilson (Chair), Hon. Leslie Winner, Ms. Henrietta Zalkind

Welcome and Conflict of Interest Statement

Chair Brad Wilson called to order the third meeting of the Commission on Access to Sound Basic Education at 10:00 am on April 10, 2018. The Chair read the Conflict of Interest reminder and welcomed the Commission and the public to Simkins Elementary School. The Chair thanked Guilford County Schools, Simkins Elementary School, and Mr. Alan Duncan for hosting the event. Alan Duncan welcomed everyone and discussed the history of Dr. Simkins and the importance of the work that will be accomplished by this Commission. Mr. Duncan introduced the Superintendent of Guilford County Schools, Dr. Sharon Contreras. Dr. Contreras welcomed the Commission and shared that Guilford County Schools has a strong history and reputation in the arts and thanked everyone for being present. Ms. Lisa Jordan, Principal of Simkins Elementary School, thanked everyone for attending and welcomed the Commission to the school.

Commission Business and Updates

The Chair presented the minutes from the February 20 meeting of the Commission and asked if members had any edits. Hearing none, the Chair approved the minutes as presented.

The Chair shared that the Commission’s Executive Committee met by conference call on April 2. The Executive Committee reviewed the agenda for today’s meeting and also discussed potential meeting locations for future meetings. The Commission’s next meeting on June 13 will be in Raleigh, and the Committee is looking at holding the following meeting on September 13 in the western part of the state. The Executive Committee also discussed the idea of organizing Commission subcommittees around the main areas of work to dive deeper into the issues and to begin exploring ideas for moving forward. The Executive Committee will be developing a plan for the subcommittees and will follow up for recommendations and with additional details soon. The Executive Committee’s plan is to have the subcommittees organized by the June 13 meeting. Lastly, as a follow-up to this meeting, the Executive Committee also discussed organizing a series of webinars where the Commission will have an opportunity to engage with school finance experts from other states to learn more about how other states have structured their school finance systems.

The Chair shared that on March 7, Judge David Lee signed the order officially appointing WestEd as the consultant for the *Leandro* case. The Chair shared that two members of the WestEd team will be joining the Commission this afternoon in the discussion around outcomes and values.

Overview of State Public Education Allotments

The Chair introduced Mr. Adam Levinson, Chief Finance Officer with the NC Department of Public Instruction. Mr. Levinson presented at the Commission meeting on February 20 and was asked back to provide further information on the state's public education allotment system. Mr. Levinson shared that an allotment is the mechanism the state uses to allocate the basic component resources to school districts for operating public schools. Allotments are designed to be equitable, provide stability / predictability in funding, and are intended to be objective and transparent. The state provides two types of allotments – dollar allotments, which provide a set amount of dollars towards a specific purpose, and position allotments, which provide guaranteed months of employment (i.e. salary) based on a specified average daily membership ratio. Eighty percent of funds allocated through allotments go to about 12 categories (classroom teachers, instructional support, Career and Technical Education teachers, principals/assistant principals, personnel benefits, teacher assistants, central office, non-instructional support, supplies/materials/equipment, textbooks, transportation, and school technology). Sixty percent of allotment funding is distributed through position allotments. Each allotment has its own formula for calculating how much funding is distributed to school districts. Ms. Winner commented that the allotment system has many incentives and disincentives, and that the Commission needs to think through those in its discussions.

Mr. Levinson shared information on three allotments that are intended to address economic disadvantage. These three dollar allotments all provide supplemental funding to school districts. The Low Wealth Supplemental Fund provides just over \$228 million to counties with below state-average ability to generate local revenue for public education. The Disadvantaged Student Supplemental Fund (DSSF) provides just over \$91 million to help enhance school districts' capacity to meet the needs of disadvantaged students. This fund is distributed based on the number of students a district serves in three research-based categories that are associated with low academic performance (percent of students in single-parent households, percent of students in poverty, and percent of students with at least one parent with less than a high school education). The At-Risk Student Supplemental Fund provides just over \$297 million to support every LEA in a variety of efforts to support at-risk students, such as providing alternative programs or schools for students, identifying students at-risk of dropping out, and offering remediation and summer school instruction to students. Each LEA receives at a minimum the dollar equivalent of two teachers and two instructional support personnel. Mr. Glazier pointed out that the dollar amounts needed to educate disadvantaged or at-risk students is subjective and that the General Assembly has adjusted the dollar amounts over time. Mr. Glazier added that the amount of funding provided to school districts through the DSSF is well-below the amount of funding that should be allocated based on the number of students who qualify.

Implementation of the Education Allotments at the Local Level

The Chair recognized Mr. Geoff Coltrane, Senior Education Advisor to Governor Cooper, to facilitate a panel discussion. Mr. Coltrane introduced Mr. Jeff Hollamon, Chief Financial Officer with Onslow County Schools; Ms. Kelly Kluttz, Chief Financial Officer with Cabarrus County Schools; and Mr. Stephen Britt, Finance Officer with Sampson County Schools. The panelists shared that the way the state funds position allotments with a guaranteed salary no matter the experience level of the teacher or other staff member is one benefit of the system at the local level. In addition, the allotment system's resource allocation approach is a rational way for determining how much funding across various categories school districts should receive.

The panelists identified that the adequacy of funding provided through the allotment system is one of the biggest challenges to implementing the system at the local level. Many of the funding formulas have not been updated to keep up with changes in districts' needs or changes in financing. Specifically, the allotment for exceptional children is underfunded for many districts because of the formula's funding cap. In addition, the panelists also identified that flexibility in how funds can be used is being eroded. Allotment categories are becoming stricter so there is less flexibility for how superintendents and principals can customize funding allocations for their districts and schools. Ms. Kluttz identified that the inability to pay teachers higher salaries, with the exception of local supplements, was a challenge with teacher allotments.

To improve the state's allotment system, the panelists recommended modernizing the allotment system's funding formulas, updating / increasing the amount of funding allocated through the allotment system, and increasing the amount of flexibility that superintendents and principals have around allocating funding through the allotment system.

Commission Discussion on Outcomes and Values for NC's Public Education System

The Chair recognized Jason Willis, Director of Strategy and Performance with WestEd, and Jill Hulnick, Systems Transformation Manager with the Comprehensive School Assistance Program at WestED. Mr. Willis and Ms. Hulnick shared information on WestEd's mission and work. Mr. Willis then provided background on the Supreme Court's definition of what a sound, basic education must provide to each student from the 1997 *Leandro* ruling and the core *Leandro* tenets from the 2004 ruling. Mr. Willis then provided information on the methodologies that WestEd uses to cost out what resources are needed to ensure a quality education for all students. The first step to any cost and resource analysis is determining the desired outcomes for students. Mr. Willis then asked Commission members to divide into several small groups to discuss what outcomes should NC set for every student to achieve a sound, basic education. Among the Commission members, there was general agreement that the outcomes highlighted in the 1997 Supreme Court ruling are still relevant and should still be the focus for our public schools. In addition, Commission members also identified further outcomes for consideration, such as the ability to think critically and to problem solve, the ability to master and use technology, an understanding of the world in a global sense, and knowledge and skills around fitness, nutrition, and wellness.

Mr. Willis then asked the small groups to discuss what types of resources are needed to ensure that each child can accomplish the outcomes identified in the previous discussion. Commission members identified the need for a sufficient supply of teachers, principals and support staff and adequate training for those professionals. In addition, Commission members identified the need for schools to have access to strong curriculum and other instructional materials, among other things. The Commission members also noted that many small rural districts lack basic resources, such as basic instructional materials or access to community resources like mental health resources or family supports, which can make their task of providing a sound, basic education even more difficult.

The Chair adjourned the meeting at 2:55 pm.