



LEGISLATIVE BRIEF

2016 Education Landscape Analysis Part Two

- Mississippi Adequate Education Program
- School Funding

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Introduction:

This is **Part Two** of our attempt to organize the more than 2,000 bills the Governor and Lt. Governor have dumped into the warren of disparate committees with only a limited amount of time to read and understand the patterns they form. Here we will review 23 bills regarding the Mississippi Adequate Education Program and school funding.

Overview:

- Systemic underfunding of Mississippi public schools remains a major problem for all school districts. For low-wealth underperforming school districts under-resourcing creates the most difficult problems. In low-wealth communities there is little room to increase local taxes to support the schools, and few businesses to provide an outside source of funding to support local schools. This has led to a serious disparity in funding for schools in higher wealth versus lower wealth school districts.
- The Mississippi Adequate Education Program (MAEP) became law in 1997 to expand funding for school districts and to create more financial balance between lower-wealth and higher-wealth districts. When it became law we knew then that the MAEP funding formula was insufficient to provide the quality public education to which students ought to be entitled.
- Since its inception, lawmakers have only voted to fully fund MAEP three times, in 2007, 2008, and 2009. In 2009, citing that revenue fell short of the March budget estimate, Governor Haley Barbour cut education funding by 10% in the middle of Fiscal Year 2010 (July 1, 2009 — June 30, 2010). Over the past seven years, MAEP has been underfunded by approximately 1.5 billion dollars.
- The Republican leadership is publicly committed to reducing funding for traditional public schools ... and public charters ... by reducing funding available through MAEP.

Mississippi Adequate Education Program

HB: 217; 452; 453; 457; 458; 459; 464; 465; 466; 467; 469; 497; 937; 1033

SB: 2034; 2158; 2279; 2406; 2431; 2452

HB 217: Adequate education program; require 80% or more to be allocated to direct classroom instruction.

(Education/Arnold)

HB 217 requires that 80% of all MAEP funds be used for “direct classroom instruction.” The bill authorizes the State Board of Education to “take such steps as necessary” to ensure that 80% of all MAEP funds be used for classroom instruction.

The bill specifically includes in the definition of “direct classroom instruction” (a) teacher salaries (those who spend at least 60% of each school day in classroom instruction), (b) assistant teachers who work with teachers who spend the requisite amount of time each school day in classroom instruction, and instructional supplies.

The bill excludes instructional staff and support services, library and media services, student support services, and school security.

HB 452: MAEP; Revise Formula to Reflect Change from Cap of 28 Mills to Annual Variable Cap Based on Average Statewide Millage Rates.

(Education; Appropriations/Byrd)

HB 452 amends Miss. Code Ann. § 37-151-7 (2)(a) which requires local school districts to provide up to 28 mills or 27% of the base student cost through a local contribution made up of local ad valorem taxes. HB 452 would cap mills in an amount not to exceed the average statewide millage rate or 27% of the of the base student cost.

HB 453: MAEP; revise computation of local contribution by increasing millage to 29 mills or 30% of the total district education cost.

(Education, Appropriations/Moore)

HB 453 would raise local school district contributions to the base student cost from 28 mills or 27% to 29 mills or 30% of the base student cost. The bill also requires a raise from 28 mills or 27% to 29 mills or 30% for the local contribution amount in school districts where one or more charter schools is located.

HB 457: School districts; require SDE to fully fund those whose local contribution has reached millage rate cap under MAEP.

(Education; Appropriations/Zuber, Read)

Miss. Code Ann. § 37-151-7 requires that in any year the Legislature does not fully fund MAEP, the Legislature direct the Department of Education in the K-12 appropriation bill as to how to allocate funds to school districts for that year. HB 457 requires that during years when MAEP is not fully funded and the legislature directs how funds are allocated to school districts, that any school district that has reached the maximum limit on its millage rate cap of 28 mills to be fully funded.

HB 458: MAEP; bring forward related sections for purpose of possible revisions.

(Education/Moore)

HB 458 is a placeholder bill that may be used to amend or alter Miss. Code. Ann. § 37-157-7, or the Mississippi Adequate Education Program.

HB 459: MAEP; reduce amount of increase to recalculate base student cost from 40% to 20%.

(Education; Appropriations/Moore)

The MAEP formula produces a base student cost. The formula is recalculated every four (4) years and is adjusted for inflation in intervening years by multiplying **40%** of the base student cost by the current rate of inflation as computed by the State's economist. HB 459 reduces the adjustment in intervening years by slashing the multipliable percentage **to 20%**.

This is another blow to public education funding and would further deplete the resources of local school districts to provide a quality education, which Mississippi's children need and deserve.

HB 464: MAEP; define "at-risk pupil" and include a child diagnosed with an autism spectrum disorder.

(Education; Appropriations/Clark)

HB 464 defines "at-risk pupil" for the purposes of the Mississippi Adequate Education Program as "a compulsory-school-age child having an increased probability of school failure or dropping out as a result of certain risk factors including, but not limited to: (i) being from a family in poverty; (ii) being from a single-parent family or being a parent themselves; (iii) having been retained previously in school; (iv) having an education attainment level below other students of the same age or grade level; (v) failing to meet the requirements necessary for promotion to the next grade level or graduation; or (vi) having been diagnosed with an autism spectrum disorder.

The bill also defines “autism spectrum disorder.” The definitions have no impact on the 5% bump in base student costs for students at risk. The 5% bump is applied to students in local school districts who qualify for free lunch.

HB 465: Adequate Education Program; increase adjustment to base student cost for at-risk students.

(Education; Appropriations/Clark)

HB 465 seeks to increase the adjustment for “at-risk students” from 5% to 50%. This is an excellent idea. In 2007 the Legislature ignored the analysis of its own consultant firm, Augenblick, Palaich & Associates. Instead the Legislature retained the 5% enhancement above base student cost for students at-risk, rather than increase the bump to 114% above base student cost to meet the actual educational needs of students at-risk. In Mississippi at least 67% of its public school students across the state qualify as low-wealth students who are at-risk. This conscious, determined resistance by the legislative majority to fully funding student educational needs sustains an unnecessary barrier to improvement in student learning and performance.

HB 466: MAEP; revise definition of "at-risk pupils" for purpose of determining the 5% adjustment to base student cost.

(Education/Moore)

HB 466 seeks to force dramatic reductions in the number of students who qualify as “at-risk” in order to drive down the number of students who are entitled to receive a 5% enhancement above base student cost in the MAEP appropriation to local school districts. In low-wealth districts with high percentages of students at-risk the effect will generate significant cuts in MAEP funding.

Here is how HB 466 proposes to do this:

- Until now the 5% bump in MAEP appropriations for students at-risk has been accomplished by multiplying the number of pupils participating in the federal free school lunch program by 5% of the base student cost in the MAEP formula.
- HB 466 seeks to alter this by re-defining who will qualify as students at-risk in grade 3 through grade 11.
- Under HB 466 the only students who will qualify as students at-risk in grades 3 – 11 will be students who have scored less than proficient (i.e. scored minimum or basic) on every state standard assessment taken in the previous scholastic year ... without exception. Stated differently, regardless of the totality of a student’s circumstances, if the student scores proficient on any one state standard assessment in any subject, then that student will no longer qualify as a student at-risk.
- This is an absolutely irrational measure of who ought to qualify as a student at-risk, defies every principle of equity funding, and undermines the rationale for MAEP as a legislative vehicle to preclude an equity funding suit against the state.
- Talk about “high-stakes testing” for the students, the school and the district!

MAEP is already seriously under-funded by more than \$200 million annually. The 5% enhancement, as a percentage of an under-funded base student cost is, therefore, also under-funded. HB 466 threatens to further diminish the capacity of districts to fund the educational services to which their students ought to be entitled.

Our low-wealth students are being sacrificed on the altar of the insidious Idol of Reduced Spending. This is a really bad idea!"

HB 467: MAEP; determine cost of using average daily membership (ADM) in lieu of ADA with 95% threshold attendance trigger.
(Education; Appropriations/Moore)

HB 467 replaces Average Daily Attendance (ADA) with Average Daily Membership (ADM) in the Mississippi Adequate Education Program formula. ADM would replace ADA in calculating MAEP appropriations to local districts unless a school district's ADA was less than 95% of the district's ADM. If a local district's ADA was less than 95% of the district's ADM, MAEP would be calculated using ADA.

Average daily attendance is an average of a daily count during all or most of the year of students in attendance. A count is conducted every school day of students in attendance throughout the school year. Absent students are excluded from the daily count and the district's average is lowered.

Average daily membership is an average of daily count during all or most of the year of students enrolled in a school throughout the year. The daily count includes absent students.

There are advantages and disadvantages to both models. ADA encourages school districts to improve attendance to avoid funding reductions. School districts are financially incentivized to keep students in school and in attendance. However, school district funding is reduced when students are absent, regardless of whether they are excused or unexcused. And, ADA may require greater administrative costs due to ongoing counts.

ADM leads to a more accurate student count. It also provides a financial incentive to keep students in school all year with no negative funding effect on districts for absent students. However, no financial incentive is provided to school districts for increasing attendance because funding is provided based on students enrolled, whether or not they actually attend class. This mechanism may also require greater administrative costs due to ongoing counts.

HB 467 authorizes the State Auditor to make one actual count of students in months two (2) and (3) of the school year. The State Auditor is not required to count students in all local districts, but in as many districts as "practical."

HB 468: MAEP funds; require school districts to identify categories of funds by maintaining separate accounts for each.

(Education/Moore)

HB 468 requires any school district receiving MAEP funds to identify the categories of funds received by maintaining a separate account for each category of funding. The Mississippi State Department of Education would provide oversight and the State Board of Education would determine how districts were held accountable for the expenditure of categorical funds.

HB 469: MAEP; remove requirement that the Legislature shall fully fund annually.

(Education/Moore)

HB 469 removes the requirement of the Legislature to fully fund MAEP annually and places funding of MAEP at the discretion of the Legislature.

HB 469 would bring to a close the 18-year war to fully fund MAEP. This bill would effectively end the unlawful refusal to fully fund what MAEP by authorizing the Legislature each year to do what it pleases, for good or ill. This is the Republican antidote to what they perceive as the poison of the full-funding Initiative and Referendum #42 that failed in November 2015.

HB 497: MAEP; extend repealer on requirement that certain absences be considered excused for purposes of average daily attendance.

(Education/White)

HB 497 extends the MS Department of Education's ability to define some absences as "excused absences" for the purposes of calculating Average Daily Attendance. Average Daily Attendance is a variable of the MAEP formula and helps determine the MAEP allocation a district receives.

HB 937: MS Adequate Education Program; fully fund for FY17 and each year thereafter.

(Education; Appropriations/Myers + 5)

HB 937 requires full funding of MAEP for fiscal year 2017 and each year after.

HB 1033: MAEP; annually increase adjustment to base student cost for at-risk students until 50%.

(Education; Revenue and Expenditure General Bills/Myers +4)

HB 1033 seeks to increase the adjustment to base student cost for at-risk student from 5% to 10% in 2017-2018 and by 10% each year thereafter until the adjustment reaches 50% in fiscal year 2021-2022. The bill fixes the adjustment at 50% for all years following fiscal year 2021-2022.

SB 2034: Adequate education program appropriation and local school district budgets to identify program funding categories; require.

(Education, Appropriations/Wilemon)

This bill is the Senate version of HB 468 (see analysis above).

SB 2158: Determination of cost of adequate education program; define student "average daily membership" (ADM) for purpose of formula.

(Education/Tollison)

This bill is the Senate version of HB 467 (see analysis above).

SB 2279: Establishes the Mississippi Adequate Education Program (MAEP) Formula Review Commission.

(Education; Appropriations/Wiggins)

SB 2279 would create the Mississippi Adequate Education Program Formula Review Commission to review how the MAEP budgets are calculated and make recommendations for potential revisions to those calculations.

The commission would be made up of 10 members. The members would include the Chairmen of the House and Senate Education and Appropriations Committee, the state Superintendent of Education, the Chairman of the State Board of Education, the Governor or his designee, a school board member appointed by the Governor, a classroom teacher appointed by the Governor, and a local business leader appointed by the Governor.

The commission would be required to hold public meetings across the state. Its report would be due to the legislature, the governor, and the state board of education December 1, 2016.

SB 2406: Establishes the Mississippi K-12 Student Performance and Efficiency Commission.

(Education; Appropriations/Harkins + 4)

SB 2406 would establish the Mississippi K-12 Student Performance and Efficiency Commission to study and make recommendations on public education funding. It would also allow the Mississippi Department of Education to develop a financial accountability rating system for schools and school districts and a performance indicator system for student achievement.

The Commission would be made up of 10 members. The members would include the Chairmen of the House and Senate Education and Appropriations Committee, the state Superintendent of Education, the Chairman of the State Board of Education, the Governor or his designee, a school board member appointed by the Governor, a classroom teacher appointed by the Governor, and a local business leader appointed by the Governor.

The Commission would be allowed to utilize MDE staff.

The commission's report would be due to the legislature, the governor, and the state board of education December 1, 2016.

SB 2431: Performanced-based funding for school districts; revise MAEP formula.
(Education; Appropriations/Wiggins)

SB 2431 would amend Miss. Code Ann. § 37-19-10 by further explicating the incentives schools receive for demonstrating growth and proficiency through the use of a myriad of programs. The bill further provides that MAEP consider incentives for districts making improvements with students who are "at-risk."

SB 2452: Local school district budgets; require at least 75% to be expended for instructional purposes.
(Education, Appropriations/Watson)

SB 2452 is the Senate version of HB 217. However, SB 2452 only requires that 75% of funds be expended for instructional purposes as opposed to HB 217's requirement that 80% of funds be expended for instructional purposes.

SB 2615: Mississippi Adequate Education Program; increase funding for at-risk pupils.
(Education/Dawkins)

SB 2615 increases the adjustment for "at-risk" students in the MAEP formula from 5% to 7%.

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