



## EdBuild First Impressions

*“Overall, the Mississippi Legislature, School Districts, and Community should say **NO** to Edbuild’s proposal because it will destroy our public education in Mississippi by removing the required funding.”*



On Monday January 16, 2017, the CEO of EdBuild presented to the Mississippi Legislature its recommendations on how best to dismantle the current funding mechanisms for public education in the state. Throughout the presentation, EdBuild attempts to convince stakeholders that their way is the best way for achievable student based outcomes. However, the presentation and provided analysis fails to demonstrate value added to the student. EdBuild does achieve one major outcome: a glossy Trojan horse, which provides a mechanism for legal underfunding of public education by removing the proven framework of MAEP. In its current form the EdBuild recommendations provide many more questions than answers. Below are the most troubling parts:

- **73% Funding is not sustainable.** EdBuild states that “Mississippi’s ‘27% Rule’ currently commits the state to funding 73% of each district’s formula amount, a target that far exceeds the national average of state share of 46.7%.” This statements is illustrative of major change that would extinguish MAEP. On its face, the statement is benign and fits with the overall tenor of the EdBuild presentation to focus our attention on other states and how they fund public education. By focusing there, EdBuild is a vehicle of deception, because Mississippi has only funded MAEP fully twice in twenty years and have spent \$1.9 billion less than mandated levels since



2009. The Associated Press has adjusted for inflation and today's spending is 12 percent lower than its peak in 2008. In other words \$170 million dollars in underfunding over this stretch of time.

Further, when federal dollars are accounted for, Mississippi is not reaching 73% in any year. Such a creative license with the facts is misleading and purposely shifts the debate towards a formula that would lower funding for public education state-wide. Funding under the "27% Rule" is not just a commitment, it is well-established State law governing the funding of public education in Mississippi. One major flaw to EdBuild's entire analysis is that MAEP has been underfunded. Thus, no district is receiving the full 73%. "EdBuild recommends that Mississippi eliminate the "27% Rule" and repurpose those dollars to satisfy the recommendations made herein." By understating it as a "current commitment" and a line item open to repurpose, it should be viewed as an attempt to create funding mechanisms which skirt legal state law mandates and serves as a further referendum on Ballot initiative 42.

Another issue for consideration here is the attempted shift on millage caps. EdBuild is recommending removal of the current 55 mill cap. If successful, this will fundamentally alter what is required of all school districts and how they approach public education funding. Recognizing that several instances of waiver were cited, most municipalities are not able to adjust upwards this far and it begs the question of what such a shift in funding would do if local municipalities are required to fund a much larger portion of public education for their individual districts? This will cause a severe burden to be placed on school districts within counties and municipalities with low property tax bases. It will also setup a further divide between heavily populated/growing counties and municipalities and declining population/stagnate tax bases across the entire state. Most Mississippians cannot withstand tax increases of this magnitude.

- **Implementation Period.** EdBuild is proposing *ala carte* implementation of their recommendations over a stated 5 to 8-year period. They are openly stating that legislators should pick and choose from their recommendations and implement those choices. "Limiting losses to 3% of total state funding per year and limiting increases to no more than 8% of total state funding per year." However, such implementation in the current political climate is dangerous and would drastically change public education in the State of Mississippi. The following statements are directly from their presentation: "It may also mean gradual differences to how schools are resourced statewide. We fully anticipate that the first several years of a new funding formula will result in lower weights than proposed in this report to



responsibly implement these changes over time.” State funding of public education in Mississippi is so important that even minor fluctuations to the funding model will prove catastrophic for many districts across the state. Such gradual differences will widen funding gaps that are already stretched. And while the current climate has led to less than full funding of the current model, the “gradual differences” contemplated by EdBuild will greatly alter the amount allocated overall. It will also mean that even if implemented at the 8% rate, funding will not meet the levels currently experienced under MAEP.

- **Weighted Student Funding.** EdBuild recommends that Mississippi disburse the vast majority of state funds for education through a student-centered formula.

$$\textit{Total Target Funding} = \textit{Students} \times \textit{Base Amount} \times \textit{Weights}$$

The base amount represents a baseline cost for each student. Weights are multipliers based on specific needs of students. EdBuild constructs an “example” base amount range that is not in keeping with the actual per student base already in place. The base used throughout their presentation is ranged between \$4,676 to roughly \$4,840 (which they plainly state is only an “example”). We cannot accurately gauge the magnitude of a newly recommended overhaul of funding if the entire premise of base funding is based merely on example. Southern Echo, in their “2015-2016 MAEP per pupil under-funding maps” illustrate that base funding under MAEP is already underfunded in a range of -\$366 to -\$688 per student. Using this as a guide we are instructed that EdBuild starts below current MAEP base funding. And, EdBuild, by providing only suggested percentages for each weighted category, does not provide any concrete evidence that their formula will meet the needs of our children. Instead, EdBuild provides a mechanism that clouds the information without providing stakeholders any means for adequate determination of its efficacy. For these reasons EdBuild should be required to provide a full accounting of its formula under the current underfunding status of MAEP and each proposed weight should be explained in the same manner. Without those side by side comparisons of real, concrete numbers, the stakeholders cannot determine whether EdBuild is viable or smoke and mirrors.

A look at some of the considered weights:



- **Special Education.** EdBuild is recommending major change, from current model to student need funding [with a complicated three-tier system]. Districts and parents of special needs children are disadvantaged by the lack of clear information provided. EdBuild does not state how students within multiple tiers will be funded. Further, EdBuild is recommending a reimbursement program whereby districts will fund 100% and seek reimbursements once they hit a set threshold. Can poorer districts withstand this out of pocket funding mechanism? What effect will it have on local control of budgets? Likely, this alone will drastically alter how annual budgets are formulated at the district level. EdBuild states “The Mississippi Department of Education should be consulted to ensure that these funding levels will be sufficient to meet Maintenance of Effort requirements under the Individuals with Disabilities Act (implying that little to no effort was exerted in placing MDE into the deliberations for their body of recommendations. Instead only after these recommendations do they contemplate MDE and establishing commissions for further study”;
- **Sparsely populated areas.** EdBuild is recommending that the legislature incentivize collaborative efforts between these districts and continue to consider at least administrative consolidation. This is the final recommendation related to areas where student populations are spread out. A likely group being the students across the Mississippi Delta. What would these collaborative efforts look like if further consolidation were built into this funding formula?
- **Low Income Students.** EdBuild recommends targeting funding to students below the poverty line as defined by the US Census. This is a marked departure from the current formula which uses “free lunch” indicators and provides in roads to major change in potential funding for areas of color, i.e., the Mississippi Delta, inner city Jackson, and other areas where student population is likely black or brown. USDA data for the free lunch program would allow more students into the equation. Census data is much more restrictive and would artificially lower student funding population; again, equating to a major mechanism for lowering base funding numbers.
- **Career and Technical pooled with advanced college prep track students.** EdBuild recommends that Mississippi provide a single stream of support college- and career-readiness, equal to 30% of the base amount, or \$1,450 for every high school student. This is one of the better



recommendations within the report. It recognizes that districts under the current funding mechanism must lock in funding and this would release them to innovate programs and cater to their student populations.

- **Gifted students.** EdBuild recommends maintaining funding levels for gifted students and releasing administrators to cater their programs so that funding is used to effect student outcomes at the district level.
- **English Language Learners.** Mississippi is currently one of only six states that do not provide additional state support for ELL students. EdBuild recommends that Mississippi provide ELL students with an additional 15 to 25% supplement about the base amount and improve data collection to determine best practices for education of this student population.
- **Change in Student Calculation Models.** EdBuild is seeking to change the student calculation model from “the average daily attendance” model which requires 63% attendance by a student per day to an enrollment-based, multiple count day which would measure (Districts with attendance that is consistently more than 7% below reported enrollment, or more than 150% higher than the state’s average absentee rate, should trigger accountability steps). This is troubling for districts with high instances of absence, above average drop-out rates, and in areas that are predominantly at or below the poverty measures because all available socio-economic indicators point to these areas nationwide as areas that will experience fluctuations in attendance. Equally troubling is the call for accountability measures that will likely be left to the legislature or EdBuild to quantify. What sanctions will be levied on Districts experiencing high absentee rates? Once identified what penalties will be incurred and what, if any assistance will be provided to remediate the problem?
- **Transparency and Accountability.** “EdBuild recommends that the Mississippi Department of Education create a series of codes to track spending to the school level, or ideally, the students that benefitted. EdBuild further recommends that Mississippi create a fiscal transparency system to compare spending and student growth between peer districts and to enable more mentorship and stronger oversight related to spending and outcomes.” What level of discourse has occurred between EdBuild and MDE? Who will ultimately initiate and develop the proposed tracking system? What specific criteria will be put forth to differentiate between per student outcomes in rural districts versus populous districts or districts with robust local tax



bases versus declining local tax bases? What will be the actual use of this tracking data and will it be available to the public? What input will Districts have on creating codes?

- **Earned Autonomy.** EdBuild is recommending a system of “earned autonomy” wherein the highest performing and highest growth districts are given independence to innovate. While this recommendation speaks to local district control, it also provides cover for disparate treatment between districts which already have high growth levels, robust property tax bases, and are likely districts which are successful. If this is the intended outcome, what will happen to marginal districts, districts with lower property tax bases and districts that are completely below established poverty levels?

Conclusion:

In its current form, the EdBuild recommendation does little to assuage doubt about current funding levels of public education in Mississippi. EdBuild provides an unproven mechanism that would instead insure inadequate funding below MAEP requirements. One of the primary themes of EdBuild is transparency. However, their entire analysis and recommendations rely on clouded weights, lack of concrete per pupil base numbers, sliding scale percentages without actual concrete factual examples, and a frightening wish for 8 years of implementation. The lack of specificity is troubling and should be grounds enough to oppose EdBuild.

One possible alternative to the vague recommendations provided by EdBuild is to include a state-wide “Equitable Student Weight.” The ESW would insure that zip codes are not the dominate indicator of student success and provide an equitable solution to the raising of millage rates. Further, such a progressive weighting would provide funding closer to full funding of MAEP. In the current EdBuild recommendations it would be added to close all gaps in funding that all other weighted categories are subtly decreasing. And in keeping with the theme of EdBuild if adopted ESW should also hold harmless all districts for 5 years. If legislators were to add this solution it would challenge the example models of EdBuild and provide a path forward that insured true student focus in base and weight funding levels.

In its current form EdBuild would be detrimental to a majority of school districts and instead of focusing on the recommendations presented by EdBuild as the answer, each stakeholder should be asking the following rudimentary questions: how will these proposals affect my current tax base, why does EdBuild start at or below the current underfunding levels, how drastically does EdBuild change local control of funding and how does my voice aid in causing my state representatives to seek full answers to these



questions before voting to approve the EdBuild recommendations? Until each of these questions are treated to sunlight and robust analysis, EdBuild should be opposed.

The legislative appropriations deadlines are key in this debate as many dummy bills are already in place to serve as vehicles for implementation of EdBuild's recommendations. All stakeholders should remain vigilant and understand that proponents of EdBuild are framing it as a win for all districts because more money will be readily available. However, funding has only reached 100% twice in 20 years and has been on the decline since 2006. Why now would those trends change? They will not and EdBuild's recommendation would become the vehicle for lowering funding and wiping out MAEP.

Below are two recent articles that provide context to the EdBuild deception and are instructive in how the overall debate is being framed.

[EdBuild Plan A Path to Expanding 'School Choice'?  
Analysis: EdBuild plan means boost for 80% of schools](#)

Charles Irvin, JD/PhD  
Policy Consultant for Southern Echo

## CONTACT SOUTHERN ECHO

**Southern Echo, Inc.**

1350 Livingston Lane

Jackson, MS 39213

(601) 982-6400

*[southernecho@southernecho.org](mailto:southernecho@southernecho.org)*

