**Southern Echo, Inc.**

**HB 957: BEWARE OF THE MISSISSIPPI UNIFORM PER STUDENT FUNDING FORMULA ACT OF 2018**

January 15, 2018

House Bill 957-Filed by: Rep. Philip Gunn [R] & Rep. Greg Snowden [R] (Appropriations)

Stated plainly in Representative Gunn’s own words: ““*If our workforce is well educated and trained, we’re going to prosper,” “If it’s not, we won’t*.” Under House Bill 957, public education students will not prosper! House Bill 957 is a complete and dangerous rework of MAEP, that takes its cues from last years attempted rewrite through “EdBuild”. However, HB 957 is much more restrictive/punitive in both its funding formula and its severe impact on lower tax based districts. Analysis of the policy implications falls into the following categories:

A. Duration of impact; B. Dismantling of public education giving rise to school choice; which opens Pandora’s box to more school consolidation, scholarships, vouchers, increased charter schools, and takeovers under “achievement districts”.

1. Duration of Impact:

If passed the reach of this policy will impact public school districts for the next decade. As it stands this is written to reach into 2025 and well beyond depending on the majority makeup in the State House of Representatives. Before discussing any of the specific funding variations between HB 957 and MAEP, if allowed, public education will be changed dramatically during the proposed period of duration; beginning in 2019.

That is a 7-year span, within which, public education will look very different than it does today. And today we are not funded at the proper levels. HB 957 is proposing a starting base of $4,800, which falls short of MAEP’s $5,358 (it should be noted that current funding is only done at $4,980 because MAEP is not fully funded). Some actual figures from the current school year, in metro area school districts paint an even starker portrait; the districts start with the rough figure of $4,980 and then once the figure has been worked through the district formula it becomes an actual base amount of approximately $3,715.00.

By starting at this level and using many of the same student groupings that were floated by EdBuild, the affects will be chilling to public education in Mississippi. This is saying that our children have too much going into their educations and the amount should be lowered and remain at the discretion of the State Legislature from year to year. On one hand, we are shown money that is currently outside of MAEP that is supposed to assist in funding HB 957. Yet, the shift of funds in and out of the proposed formula provides an overarching “theme to the scheme” of systematic dismantling of public education.

Before discussing the actual funding proposal, we must examine what will be missing: To begin with a staggering one hundred seven million dollars ($107,000,000) in tax funds that benefits only certain districts is bold, wrong and a detriment to public school children across the state. “EdBuild recommended that the Legislature remove a provision of MAEP that caps the total amount districts have to contribute toward the formula at 27 percent. In opting to the preserve the rule, Gunn's plan runs against EdBuild's recommendations, by protecting affluent school systems such as Madison County and Pascagoula, which stand to lose millions if the rule is eliminated.

With education funding, school choice, and accountability grades for school districts all in the mix, we wanted to share our views on last session to assist in focusing the work needed to avoid dire outcomes in the session ahead.

Last January, considerable capital was expended pushing forward the hazy outline for EdBuild; the proposed answer to education funding in Mississippi. The product was inconclusive, at best, and a sober reminder of what could happen if we do not hold the line in making specific demands on what the educational funding formulas should include. <http://southernecho.org/s/wp-content/uploads/2018/01/EdBuild-First-Impressions.pdf>

The immediate outcome was to holdover the conversation to the 2018 session. Do not let your guard down. Here are a few key considerations related to the failed EdBuild trial bubble: 1. EdBuild did not provide any concrete appropriations numbers, because that was never the intention; 2. EdBuild did provide a lens for viewing how school choice becomes the preferred alternative to full and adequate funding in Mississippi; 3. Proponents of EdBuild focused a great amount of time laying out the mechanism for a formula that would hurt districts with smaller tax bases, thus creating a continued divide of resources and renewed focus on school district grading mechanics; and 4. The entire EdBuild process was a success if we do not unify around a strong set of principles for what is needed in the next iteration of funding.

Messaging will be the largest asset we have going forward, as you can see from my key considerations above, at best they are unclear, but that is by design. If we fall into the trap of formulating our message to the stakeholders around funding formulas, we will have done the work of putting the at-risk parties to sleep, loss of interest, and lack of understanding, such that they will not participate in the battles to come.

Our message should focus on equity in education funding. Each of us brings a unique audience with us and insuring that any funding formula is equitable to our stakeholders is paramount in getting broad participation. This is literally “all hands-on-deck”, so shaping of the equity messaging can happen through coordination, organic growth, and strategic partnerships to drive it home. Otherwise we are going to get swept into the majority mood of formulaic chatter and the push for choice. If that happens there will be a move to divert funds towards choice schools and away from any equity funding for the schools that need it the most.

Special education, pre-kindergarten, gifted students, English Language Learners (ELL), low-income students, vocational/career path students and age of students will all be used to increase the base amount by mere percentages in each category. [Section 5 provides $0[[1]](#footnote-1) for pre-kindergarten students, while jumping to $6,240 per high school student]. While used as a formulaic approach to education, HB 957 dismisses the outcry of communities that each have different funding needs and thus sets the stage for funding fights across the special interest groups. Such an approach provides an unhealthy method of securing quality education because it presupposes that every district is either the same (which we know they are not) or it is a move to place school choice as the growing alternative to what public education will become under this formula. HB 957 ignores proven national and Mississippi studies which demonstrate that funds placed into early childhood education provide substantial positive impact on student achievement.

“Author Robert Fulghum popularized the idea that everything we need to be successful in life we learn in kindergarten. But in the past 25 years, the foundation for early learning has shifted to pre-K. This movement capitalizes on 50 years of research backing a focus on early learning to not only appeal to a child’s natural inclination for learning, but also to prevent children from falling behind.”[[2]](#footnote-2) “High-quality pre-k improves children’s school readiness and cognitive development and yields long-term benefits into adulthood. It also generates strong returns to state coffers by reducing other public expenditures and increasing income tax revenues. For all these reasons, pre-k has been called “an outstanding use of taxpayer money and one of the best investments [states] can make”[[3]](#footnote-3) for their economic futures and for the futures of their youngest citizens.

Again, we can and should argue each section of the proposed bill, but it should not be lost on anyone that a seven (7) year phase in of increases and decreases leaves public education on an existentially threatened slippery slope. And because it is designed for seven-year phase in, the impact will last much longer than seven years; potentially decades, because the current funding model does not receive full funding and HB 957 proposes to begin lower than MAEP.

Teacher shortages across the entire state are a fact of life. Many reasons exist for this problem, to include, shortage of talent pool, uncompetitive salaries, and a correlation of location, accountability ratings and again location (many districts are restricted in who they can recruit due to the low salary and their locations).

On January 9, 2018, before the Stennis Capitol Press Forum, Lieutenant Governor Tate Reeves unintentionally encapsulated two major pain points in HB 957: “Reeves cautioned against placing too much reliance on year-to-year U.S. Census Bureau data, which he compared to looking at one month of state revenues and trying to determine a trend. He also said Mississippi is at a disadvantage when it comes to luring millennials — who tend to want to live in cities — since the state only has one metropolitan area, Jackson.” He is correct, we should not rely on U.S. Census Data for determining poverty levels in schools anymore than we should use it to assess the drain of millennials away from our class rooms. The data is unreliable and there are better ways of assessing each issue. Yet, HB 957 plans to use it anyway.

Thus HB 957 is seeking to prey upon this by implementing the following: “a school district may not exceed a student-teacher ratio, based on the district's enrollment, of 27:1 in Grades 1, 2, 3 and 4; for kindergarten and Grades 5 through 12, the student-teacher ratio must be determined in accordance with appropriate accreditation standards developed by the Mississippi Commission on School Accreditation. However, any local district may apply to the State Board of Education for approval of a waiver to this section by submitting and justifying an alternative educational program.” This idea is counter to the need. Instead of finding ways to assist in alleviating teacher shortages, they offer a penalty. This will further enhance shortages in areas that have trouble attracting qualified teachers.

Another major change that will impact districts all over is a change to use of the Census (SAIPE) counts in each district. Census data for this determination creates a problem where a solution is already in place. Free school lunch programs, run by the United States Department of Agriculture (USDA) require annual applications and provide a much more accurate count than U.S. Census modeling.

By employing the Census, such a count will move all schools into a situation where every student in a district, regardless of enrollment will be counted and this will distort the counts of districts to an unrecognizable amount. [Section 2(g) provides the following insights: “means a definite number of students in a school district which is calculated solely by multiplying the most recent estimate of the school-age poverty rate, as published annually as a percentage for that school district by the United States Census Bureau in the Small Area Income and Poverty Estimates (SAIPE), times the average daily membership (ADM) of the school district. In determining the total number of low income students, the economic status of any individual student or group of students may not be considered by a school district.”]

1. Dismantling of Public Education:

“*You are what you do, not what you say you'll do*.” C.G. Jung

If EdBuild was a prelude, as we all thought it an ominous turn for public education funding in Mississippi. Then HB 957 is the manifestation of EdBuild’s theoretical fancy, on steroids. HB 957 goes even further than EdBuild to increase the inequity already present in public education in Mississippi. One way to do so is to assist high tax districts through the unbalanced application of the existing constitutional requirement found in the 27% rule. Education has not been funded 100% consistently, yet by enabling continued tax imbalances, HB 957 will achieve two distinct classes of school district. Those with solid and growing tax bases will soar. Those with dwindling tax bases will falter. This will leave the door wide open for a diversion of funds towards public charter schools as a viable alternative and cut-off state funding sources from those most in need.

Look no further than the inequity present in tax formula presented in Section 14(c):

“The amount of the total funding under the funding formula which must be contributed by each school district is the sum of the ad valorem receipts generated by the millage required under Section 37-57-1 plus the following local revenue sources for the appropriate fiscal year which are or may be available for current expenditure by the school district:

(i) One hundred percent (100%) of Grand Gulf

income, as prescribed in Section 27-35-309.

(ii) One hundred percent (100%) of any fees in lieu of taxes, as prescribed in Section 27-31-104.

(2)(a) Except as otherwise provided in subsection (3), the required state effort in support of the Uniform Per Student Funding Formula for each school district and charter school is determined by subtracting the sum of the required local contribution, as set forth in subsection (1)(a) of this section, and the other local revenue sources set forth in subsection (1)(c) of this section, which total amount may not exceed twenty-seven percent (27%) of the total projected funding formula cost, from the total projected Uniform Per Student Funding Formula Cost, as determined under this article, for the school district or charter school.

What does this mean? School districts with high tax collections rates do well; low collection districts suffer. This will strangle districts that are facing accountability issues, low performance (test scores) districts, failing districts, districts that are black and brown. Such a formula goes out of its way to highlight the haves and have nots. And should cause a sounding of alarms across the entire state to local Boards of Supervisors and other elected officials tasked with finding the millage to keep up with such a formula.

All mills are not created equally. And if HB 957 is allowed to stand, then the high property districts will continue to outpace low property districts because under the “55-mill” rule, accounting for waivers and any other construction, if the valuations of property are not present then it will not matter. As illustrated below by the cross section of 2016-17 “Preliminary Assessment/Tax Levy” published by the Mississippi Department of Education, location determines value, and this will further dismantle public education across the Mississippi Delta and other regions of the state.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Assess** | **Homestead** | **Homestead** | **Current** | **Total Curr.** |  | **General** | **Total** |
| **Dist..Name** | **Value** | **Evaluation** | **Credit** | **Mills** | **Oper. Mills** | **3 Mill** | **Obligat.** | **Levy** |
| CLEVELAND | 187998990 | 10685529 | 299743 | 55 | 55 | 1.51 |  | 59.1 |
| CLINTON | 264107377 | 18862921 | 695112 | 52.77 | 52.77 | 3 | 12.1 | 67.87 |
| COAHOMA COUNTY | 136344702 | 4371699 | 113193 | 36.73 | 36.73 | 1.55 | 2.47 | 40.75 |
| COAHOMA COUNTY AHS | 0 | 0 | 3.9 | 3.9 |  |  | 3.9 |
| COFFEEVILLE | 41318308 | 4579491 | 66849 | 40.39 | 40.39 |  | 2.59 | 42.98 |
| COLUMBIA | 77673386 | 6452952 | 132648.5 | 55 | 57.75 | 3 | 7 | 67.75 |
| COLUMBUS | 227693234 | 16552140 | 340397 | 54.04 | 54.04 | 1.21 | 4.1 | 61.39 |
| COPIAH COUNTY | 106871254 | 10928266 | 253187.5 | 39.94 | 39.94 |  | 1.13 | 41.07 |
| CORINTH | 96404019 | 9075728 | 175711 | 44 | 45.2 | 3 | 11 | 59.2 |
| COVINGTON COUNTY | 206804858 | 11101399 | 294031.5 | 36.31 | 36.31 | 1.38 |  | 37.69 |
| DESOTO COUNTY | 1705796502 | 94343668 | 3968787 | 40.35 | 40.35 | 3 | 10.22 | 53.57 |
| HOLLANDALE | 29766604 | 1671116 | 31264.5 | 44.46 | 44.46 | 2.26 |  | 46.72 |
| HOLLY SPRINGS | 73296507 | 6924704 | 148602 | 54 | 54 | 3 | 12.65 | 70.65 |
| HOLMES COUNTY | 116083666 | 6953154 | 115287 | 49.24 | 49.24 | 2.54 |  | 51.78 |
| HOUSTON | 58176316 | 6070725 | 137823 | 55 | 55 | 2.7 |  | 58.43 |
| HUMPHREYS COUNTY | 66885442 | 4923800 | 82866.5 | 37.07 | 37.07 |  |  | 37.07 |
| ITAWAMBA COUNTY | 125966865 | 15553075 | 367347 | 44 | 44 | 2.2 | 5.4 | 51.8 |
| JACKSON COUNTY | 497751639 | 31021972 | 987531 | 55 | 55 | 3 |  | 58 |
| JACKSON PUBLIC | 1205475879 | 63367568 | 1931607 | 65.91 | 65.91 | 1.11 | 17.57 | 84.59 |
| JEFFERSON COUNTY | 48910212 | 4094568 | 78036.5 | 47.98 | 47.98 | 2.36 |  | 51.91 |

Even EdBuild is calling foul on this “provision that allows property-wealthy districts across the state to keep $120 million they would have otherwise had to raise in local taxes. Gunn’s formula includes some of the suggestions in the EdBuild report. Missing, however, is additional funding for kindergarten through 3rd grade students and the removal of the provision benefiting property-wealthy districts such as Madison, Rankin and Lowndes counties, which Sibilia described Tuesday as “inequitable, illogical” and “not good for kids.”” There seems to be numerous reasons for such a funding formula, none of which is to ensure a quality public education for all students.

Another troubling but present proposal is tasking districts to fund all dual enrollment 100%. Such as shift effects the districts ability to offer advanced courses for students on the college track. Another view is that by doing so many of the already poorer districts will remove the offerings. When they do this, they will automatically be removing points that could be claimed in District accountability scores. And yet an even more sinister view is that, by placing the burden on the districts they will be funding community charter schools and picking up the tab/defraying the cost for home schoolers.

HB 957 also calls for random audits of schools. This is a highly troubling section of the bill because it does not provide a uniform standard for audits of every district. Random audits are another way to pick favorites. And the language of the is highly punitive to districts who do not meet the standard:

 The State Auditor is not required to audit student enrollment and attendance figures in all local school districts during…but must make a concerted effort to conduct audits in as many local districts as practicable. Advance notice may not be given to a school when an audit is scheduled to be conducted; however, an audit may be postponed due to extraordinary circumstances such as a natural disaster or fire.

If the average number of students calculated by the examiners is more than seven percent (7%) lower than the school district's reported enrollment, the State Department of Education must use a student number for the next succeeding fiscal year which equals the average number found by the examiners less an amount that is the same percentage as the difference in the average of the examiner's actual findings and the school district's reported enrollment. The department shall use the resulting figure in determining the funds to be allocated to the school district during the succeeding school year.

HB 957 is a collection of small acts of destruction toward public education. While small they point to the overarching theme of a scheme to systematically dismantle public education in Mississippi. Such acts, are consistent throughout HB 957 and work in concert to cheapen the value proposition of public education and strengthen the case silently for a rise in the public charter school. And whether we acknowledge it or not, our districts with charter schools are sending over major funds (JPS, $2.5 million) to the choice endeavor for 2018 and beyond. With less funding and more demands under HB 957, it is only a matter of time, that such a bill would collapse public education as we know it.

 We must alert all elected representatives, stakeholders, parents, and friends of public education that HB 957 presents what will be a steep decline in public education and set us back as a State, seeking equity in funding and fairness for public education for decades to come. Here are a few of the most egregious pain points contained in HB 957:

* Zero Dollars for Pre-K;
* Imbalance of Dollars between elementary and high school (new lower base of $4,800 for elementary and $6,240 for high school);
* Use of Census Data which would decrease actual poverty numbers under proposed application (USDA free lunch program is annual and a much more effective measure of poverty);
* Lowered base student amount to $4,800 per student (Below MAEP levels, and we now know that the actual base will be lower when applied through any formula, i.e., effective base in Jackson area schools $3,715);
* Inequitable tax base formula benefitting the top districts and punishing the poorer districts (Roughly $17.8 secured back to Pascagoula alone; and $107 million total to the high property valuation districts);
* Pitting of special interest groups representing various student groups, i.e., special needs versus gifted versus college track versus English language learners (the beginning of scholarships, vouchers, choice, because this is a dream battle between groups);
* Shifting of working programs back to districts, which are already cash strapped, i.e. dual enrollment – result, loss of program and loss of ability to use said programs existence in accountability scoring (another area that opens districts to the questions of funneling money towards charter schools);
* Random, punitive audits (If (7%) lower than district's reported enrollment, MDE must use a student number for the next succeeding fiscal year which equals the average number found by the examiners less an amount that is the same percentage as the difference in the average of the examiner's actual findings and the school district's reported enrollment);
* Reintroduction of the Fiscal Transparency Act as an unfunded mandate (Districts will need major infrastructure upgrades in accounting software because their systems are much more advanced than MDE to report out financial data);
* 7-year phase in up or down; and
* Same overall flaws as EdBuild but with worse methods of implementation

The Chairman is proposing “pass now, work out later,”. We cannot allow this approach to come near our children’s future. To prepare for the upcoming vote and a larger conversation around district accountability, shaping the narrative, and equipping community with the necessary tools to avoid the move towards consolidation/takeover we have provided the following: <http://southernecho.org/s/wp-content/uploads/2018/01/Educational-Landscape-2018.pdf>

.We have also included our recap of last session: <http://southernecho.org/s/wp-content/uploads/2018/01/17-18-SE-PRESENTATION-ON-Legislative-outlook.pdf>

 As we prepare for the fast-moving session and its implications on educational issues, we hope this email will serve as a severe call to action. Finally, because of the size and scope of HB 957 we have included the funding formula and terms section below. If you have any questions, please let us know and let’s all work together towards a better education for all Mississippi children, regardless of race, gender, or economic status.

FUNDING COMPUTATION:

(1) Beginning with the 2019 fiscal year, the annual computation of the total amount of operational funding, both state and local, for the cost of educating students enrolled in the public schools in the State of Mississippi is determined in accordance with the Mississippi Uniform Per Student Funding Formula established under this article.

(2) The annual amount of funding for the operation of each school district under the Mississippi Uniform Per Student Funding Formula must be determined as follows:

**Multiply the school district's average daily membership**, as determined under Section 37-151-221, **times the applicable grade level per student allocations** established under Section 37-151-209, and **add to this product any additional amounts to which the district is entitled for low income students** under Section 37-151-211, **English Language Learners** under Section 37-151-213, students in **special education programs** under Section 37-151-215, students in **gifted education programs** under Section 37-151-217 and students in a **sparse school district** under Section 37-151-219.

Beginning with the 2019 fiscal year, the student base amount is **Four Thousand Eight Hundred Dollars ($4,800.00) per student**. The base amount may be revised in subsequent years in accordance with provisions for periodic review and revision of the funding formula pursuant to Section 37-151-223.

 The student counts at certain grade levels must be weighted to provide an amount per student differing from the base amount in accordance with the following schedule:

|  |  |  |
| --- | --- | --- |
| Grade Level  | Weighting ‘FY2019 and Subsequent |  |
| Fiscal Years | Per Student Allocation | Amount |
| Pre-kindergarten 3  | 0.00  | $0.00 |
| Pre-kindergarten 4  | 0.00  | $0.00 |
| Kindergarten | 1.00 | $4,800.00 |
| Grades 1-3  | 1.00  | $4,800.00 |
| Grades 4-8 | 1.00  | $4,800.00 |
| Grades 9-12  | 1.30  | $6,240.00 |

TERMS

1. "Average daily membership" or "ADM" means the figure that results when the total aggregate student enrollment during the period counted is divided by the number of days during the period counted upon which both teachers and students are in regular attendance for scheduled classroom instruction for not less than sixty percent (60%) of the normal school day. However, if a local school board adopts a class schedule that operates throughout the year for any or all schools in the district, average daily membership must be computed by the State Department of Education so that the resulting average daily membership will not be higher or lower than if the local school board had not adopted such schedule.
2. "Base amount" or "student base amount" means the student base funding level that is established in the funding formula as the estimated cost of educating an average student with no special needs.
3. "Charter school" means a public school that is established and operating under the terms of a charter contract between the school's governing board and the Mississippi Charter School Authorizer Board.
4. "Department" means the State Department of Education.
5. "English Language Learner" or "ELL" means a student identified in accordance with federal law as entitled to English as a second language or bilingual services based on the student's English language proficiency.
6. "Gifted student" means a student identified as eligible to participate in a gifted education program for the instruction of intellectually or academically gifted children, as defined and provided for in Sections 37-23-171 through 37-23-181.
7. "Low income students" means a definite number of students in a school district which is calculated solely by multiplying the most recent estimate of the school-age poverty rate, as published annually as a percentage for that school district by the United States Census Bureau in the Small Area Income and Poverty Estimates (SAIPE), times the average daily membership (ADM) of the school district. In determining the total number of low income students, the economic status of any individual student or group of students may not be considered by a school district.
8. "Mississippi Uniform Per Student Funding Formula," "uniform per student funding formula," "funding formula" or "formula" means the formula used to determine annual operating funding for public schools on a uniform per student basis, as prescribed in this article.
9. "School district" means any type of school district in the State of Mississippi and includes agricultural high schools.
10. "Sparse school district" means a school district in which there are fewer than four (4) students per square mile when the total number of students in the district's average daily membership (ADM) is divided by the number of square miles in the territory comprising the school district.
11. "Special education program" means a program that provides services for exceptional children, as defined and authorized by Chapter 23, Title 37, Mississippi Code of 1972.
12. "Superintendent" means the administrative head of a school district.
13. "Uniform per student funding formula funds" or "formula funds" means all funds, both state and local, constituting the requirements for meeting the cost of the formula as established pursuant to this article.
14. "Weight" or "weighting" means a multiplier used to adjust the base amount for student counts in certain grade levels or special programs to support the additional costs of educating students in defined student populations.
1. HB 957 establishes a framework for zero funding of pre-k; yet seeks to study this issue in “SECTION 22.” “There is established the *Early Learning Funding Continuum Study Committee*. The committee shall study and make recommendations relating to the establishment of an early learning funding continuum by expanding pre-kindergarten funding and providing additional funding for students in early grades through an appropriate weight in the funding formula.” [↑](#footnote-ref-1)
2. https://www.naesp.org/principal-septemberoctober-2013-early-learning/power-pre-k [↑](#footnote-ref-2)
3. Jennifer D. Jordan, “Pre-K Pays Off, Study Says,” The Providence Journal (2007), http://www.projo.com/news/content/prek\_study4\_05- 06-07\_KA5G6QM.33a64ac.html. [↑](#footnote-ref-3)