

Minutes of the Joint Legislative Oversight Committee  
January 14, 2009  
East Conference Room, JR Williams Building  
Boise, Idaho

Co-chair Representative Clifford Bayer called the meeting to order at 1:05 p.m. Attending the meeting were Senators John McGee, Elliot Werk, and Dick Sagness (substituting for Edgar Malepeai during session), and Representatives Maxine Bell, Donna Boe, and Shirley Ringo. One senate position had not yet been named to the committee. Also present were Rakesh Mohan, Director, Margaret Campbell, Administrative Coordinator, and all other staff.

Co-chair Bayer welcomed those in attendance, including Representative Shirley as a new member of JLOC. He acknowledged the attendance of the following individuals:  
Senate: President Pro Tem Robert Geddes and Education Chairman John Geodde  
House: Rich Jarvis and Joe Palmer  
Department of Education: Superintendent Tom Luna  
Division of Financial Management: Lloyd Knight

Other attendees included:

Budget and Policy Analysis: Paul Headlee  
Office of the State Controller: Dan Goichoechea  
Department of Education: Tim Hill, Luci Wilits, and Jason Hancock  
Idaho Association of Administrators: Wayne Davis, Harold Ott, and Phil Homer  
Idaho Education Association: Bert Marley and Robin Nettinga  
Idaho School Board Association: Karen Echeverria  
School District #2: Linda Clark

Senator McGee requested to discuss an item of business. He said he had spoken with the Senate President Pro Tem about early distribution of the report *Idaho Transportation Department Performance Audit* to the Senate and House Transportation Committees to allow those members to read the report and prepare questions for OPE's presentation to both committees the day after the report release to JLOC. Co-chair Bayer said the Speaker and the Pro Tem had approved the early distribution of the confidential report as authorized through the germane chairs. Mr. Mohan emphasized that members would be responsible for keeping the report confidential until it was released to JLOC on January 19.

**Senator McGee moved to distribute the confidential report *Idaho Transportation Department Performance Audit* before its JLOC release to members of the Senate and House Transportation Committees. Senator Sagness seconded the motion.**

In discussion, Senator Werk and Representative Bell clarified that the report would be in confidential status for this distribution, and that germane chairs should clearly communicate the confidential status to their members.

**The motion to distribute the confidential report *Idaho Transportation Department Performance Audit* to members of the Senate and House Transportation Committee members passed unanimously by voice vote.**

**REPORT RELEASE: PUBLIC EDUCATION FUNDING IN IDAHO**

**Representative Boe moved to receive the report on education funding. Representative Bell seconded the motion, and it unanimously passed by voice vote.**

Mr. Mohan thanked key stakeholders who provided information for the report, particularly the superintendents, board members, principals, business managers, and teachers of Idaho's school districts. He said the report was not an evaluation of a program or department, but a policy analysis of Idaho's approach to funding public education. For this reason, the report did not include formal responses from the Governor, the Department of Education, or the State Board of Education. Mr. Mohan introduced members of the project team: Carrie Parrish, Maureen Shea, and Jeff Shinn of the Office of Performance Evaluations, and consultants Dr. Kathleen Sullivan, Bob Thomas, and Dr. Tedd McDonald. Ms. Parrish, Ms. Shea, Dr. Sullivan, and Mr. Thomas summarized the findings of the report in a presentation.

Co-chair Bayer thanked the team for the presentation and called on Superintendent Tom Luna, Department of Education, and Mr. Matt Browning, State Board of Education, for their comments on the report. Superintendent Luna thanked OPE for a thorough and informative report. He said he concurred with the findings, specifically the need to look at the funding formula sooner than later. Mr. Browning said he appreciated the work and depth of the study and would provide the report to the State Board of Education.

In discussion, the project team clarified the following questions and comments from members about report findings:

- Representative Ringo asked if charter schools were included in the equity analysis.
- Representative Bell said the survey results of stakeholder priorities seemed to be based on a lack of funds.
- Senator Werk asked whether the high incidence of seriously emotionally disturbed students in Idaho had been dramatically under identified in the past rather than inflated for funding incentives.
- Senator Sagness pointed out potential differences in perceptions when stakeholders responded to the survey. Superintendents may not view discretionary funding as discretionary; teachers may have another interpretation.

Co-chair Bayer called on Senator John Goedde, Chairman of the Senate Education Committee, to comment on the report. Senator Goedde said he had several issues with the report. The report suggested reopening the funding formula for review. Whenever the Legislature had changed the funding formula, it used the No Harm principle—rather than take funds away from any district, it would add funds needed to create equity. He said lawmakers added \$94 million to the education budget when changing the formula in 1994.

Senator Goedde said the report suggested that the use of supplemental levies created inequities. If districts elect to fund additional programs that directly benefit their children, they should not have to pay for those same programs for every other child in Idaho. He said he commended property-poor districts that have chosen to tax themselves.

Senator Goedde said he would be interested in knowing the percentage of Idaho's base salary and benefits for educational staff as compared to the national average.

Senator Goedde said he had asked Mr. Mohan a number of questions relating to the report prior to its release. He said he would be fine with the distribution of those questions and Mr. Mohan's answers to JLOC members.

Co-chair Bayer thanked Senator Goedde for his comments, and thanked OPE and its consultants for the report.

**FOLLOW-UP REPORT RELEASE: HIGHER EDUCATION RESIDENCY REQUIREMENTS**

**Senator McGee moved to receive the report on higher education. Senator Werk seconded the motion, and it unanimously passed by voice vote.**

Mr. Mohan said the recommendations had all been implemented for the 2004 report on residency requirements and commended the State Board of Education for its work. He recommended action to close the report. Mr. Jared Tatro, Performance Evaluator, summarized the implementation efforts of the board.

Co-chair Bayer called on Dana Kelly, Office of the State Board of Education, to address the report. Ms. Kelly complimented the institutions for their efforts. She discussed one issue arising from legislation limiting residency to students who were returning to Idaho after less than 30 months away.

**Representative Bell moved to close the report on higher education residency requirements. Senator Sagness seconded the motion.**

Representative Ringo said her support for closing the report was contingent on the board addressing the residency issue for professional students.

**The motion to close the report on higher education residency requirements passed unanimously by voice vote.**

Representative Boe said the meeting minutes from March 21, 2008, referred some recommendations in the report *Virtual School Operations* to the education germane committees for legislative action. She asked about the status of those recommendations. Mr. Mohan said he would prepare a memo outlining the status for the committee.

Co-chair Bayer announced the retirement of Jeff Shinn from the Office of Performance Evaluations and thanked him for 32 years of state service.

Co-chair Bayer thanked the previous co-chairs of JLOC, Senator Shawn Keough and Representative Margaret Henbest, for their exemplary bi-partisan work. He said they set the threshold high.

The committee adjourned at 2:40 p.m.