Senate Education Committee

Minutes
2009

MINUTES

SENATE EDUCATION COMMITTEE

DATE: January 13, 2009

TIME: 3:00 p.m.

PLACE: Room 204

MEMBERS PRESENT: Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Fulcher, Pearce, Winder, Sagness (Malepeai), and Kelly

MEMBERS ABSENT/ EXCUSED:

GUESTS: *The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:07

Chairman Goedde asked the secretary to take a silent roll and welcomed the committee members. He asked the staff to introduce themselves. He stated that there would be a new vice chairman, **Vice Chairman Mortimer**, who would be assigning rules. The senators introduced themselves, and **Chairman Goedde** announced two new committee members: **Senator Kelly** and **Senator Winder**. **Senator Fulcher** stated he has been approached by the Governor's Task Force on Children at Risk to consider a bill relating to home-school educators. **Chairman Goedde** also asked lobbying members of the audience to introduce themselves.

Chairman Goedde announced there would be a change to the agenda and the committee would discuss minutes approval first. He stated that in the past his secretary has traditionally passed minutes to alternating senators for review, but if any senator would prefer to review all minutes they should advise the secretary. **Senator Kelly** asked if the senators would have a copy of the minutes when they voted on approval of them, which was confirmed.

Chairman Goedde announced that **Vice Chairman Mortimer** would proceed with rules review and assignments. He also announced that there would be a joint meeting with the House Education Committee in the East Conference Room of the J.R. Williams Building on Thursday, January 15, at 3:00 to hear the report on adequacy from the Office of Performance Evaluation and the inventory of early childhood programs from Legislative Services. An agenda will be posted.

Vice Chairman Mortimer announced that the committee would be following the outline distributing rules to be reviewed by separate committee members as provided by **Senator Fulcher**. The outline was handed out to the legislators (Copy attached - Handout No. 1). **Vice Chairman Mortimer** explained that there are three groups of rules up for review: Pending Rules, Pending Fee Rules and Temporary Rules, all of which are color-coded (yellow, green and salmon, respectively).

Senator Pearce inquired whether the committee could only review prior rules from the 2008 legislative session or if it could review rules from all prior sessions. **Chairman Goedde** and **Karen Echeverria** confirmed that the committee can review all prior rules. Prior rule review must follow the rules time-line as set by the legislature, and the committee may only reject rules not propose new ones.

Senator Fulcher addressed the lack of committee-member assignments for the Temporary Rules, stating that the entire committee would be responsible for reviewing them.

Senator Kelly asked for confirmation of presentations by state agencies involved in the rules review process, which **Chairman Goedde** confirmed. **Senator Schroder** inquired about preparing legislation in place of a rejected rule. **Chairman Goedde** was under the impression that this was allowable, with the affirmation of **Ms. Echeverria**.

With no further questions, **Vice Chairman Mortimer** concluded the assignment of rules with the understanding that rules review will begin on Wednesday, January 14, with the Pending Fee Rules and Temporary Rules. Any carryover will continue on Monday, January 19, and Tuesday, January 20, with Pending Rules being reviewed on those days.

Chairman Goedde adjourned the meeting at 3:50

Senator John Goedde Chairman	Sara Pealy Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	January 14, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Fulcher, Pearce, Winder and Kelly
MEMBERS ABSENT/ EXCUSED:	Sagness (Malepeai)
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:10. He passed the gavel to **Vice Chairman Mortimer** to open rules review.
RULE: 08-0203-0901	**Temporary Rule**: Humanities and Chemistry standards review. **Luci Willits** explained this rule is regarding an annual standards review of different subjects. This year the two subjects reviewed are Chemistry and Humanities. Because of the lengthy nature of the standards changes a CD was distributed to the committee members with those changes. **Senator Schroeder** expressed concern about not having seen whether standards change prior to reviewing the rules, and that someone has looked at how these changes affect professionals in education. Arts and Humanities Coordinator **Dr. Peggy Wenner** explained humanities standards were being changed to follow Partnership 21("P21 Partnership") standards should the State of Idaho want to become a P21 Partnership. She indicated that many of the changes were in the language of the rule in an attempt to make the rule easier to understand. **Senator Schroeder** asked how the state would become a P21 Partnership? **Dr. Wenner** stated that the legislature, state agencies and the Governor's office would all have to agree to the transition. **Vice Chairman Mortimer** asked if there was any feedback from the public or other organizations regarding the rule? **Ms. Willits** stated that there were no outstanding concerns about the rule. Idaho Education Association ("IEA") president **Sherri Wood** stated that the IEA had no concerns about the rule. **Senator Pearce** asked if there would be any additional expenses to small schools by requiring students to take more laboratory classes. **Chairman Goedde** stated that the rule requiring students to take more laboratory classes was already in place

and that this would change the standards to include chemistry as another laboratory class.

Senator Schroeder stated that he is generally opposed to adopting rules on reference, which was noted by **Vice Chairman Mortimer**. **Vice Chairman Mortimer** noted that for future reference the committee would like to have a hard copy of the document prior to, and with enough time to, review.

MOTION: **Chairman Goedde** moved to approve Rule 08-0203-0901. **Senator Kelly** seconded the motion. The motion passed by a voice-vote. **Senator Schroeder** has been recorded as voting "NO."

RULE: 30-0101-0901 **Temporary Rule:** State Librarian **Ann Joslin** stated the rule is in place for the benefit of the libraries in Idaho that are interested in applying for Library Services and Technology grant funds. The change is removing annual application kit outlining grant procedure because the procedure changes annually and would require amending as such.

Vice Chairman Mortimer asked for clarification that the rule would require applicants to acquire forms on their own rather than create the form based on its outline in the rules.

Senator Winder inquired whether anyone present would like to address the issue. No one present wished to address the issue.

MOTION: **Senator Fulcher** moved to approve Rule 30-0101-0901. **Senator Winder** seconded. The motion passed by voice-vote.

RULE: 08-0111-0802 **Pending Rule:** As defined by **Ms. Bent**, this rules is a clarification of procedures for registering proprietary and post-secondary institutions as well as clarification of the definition of nonprofit.

Vice Chairman Mortimer requested that **Ms. Bent** clarify all changes for the committee. **Ms. Bent** stated there has been a change to the definition of nonprofit to fall under the IRS definition of tax-exempt.

Senator Pearce asked for clarification that there would be no fee increase for institutions associated with this rule, which **Ms. Bent** confirmed. **Senator Schroeder** felt the phrase "like those with business enterprises" was too nonspecific and to prevent future problems it should be specified. This was noted by **Vice Chairman Mortimer**. **Senator Pearce** asked if there were any objections to the rewriting. **Ms. Bent** stated that there were not.

Additional changes as outlined by **Ms. Bent** include the clarification of registration dates; a change from not-for-profit to nonprofit in the wording of the rule; outlining changes to the registration process for both proprietary and post-secondary schools; qualification of an "Idaho presence;" removal of the Federal Bureau of Investigation ("FBI") from involvement in criminal history checks; and a change in wording from "direct contact with a minor" to "unsupervised contact with a minor."

Senator Schroeder expressed concern over inconsistencies in the terminology used, which **Dennis Stevenson** stated was under the category of clerical revision and could be fixed by his office prior to printing with no effect on the rule. **Senator Schroeder** also asked for clarification as to why the FBI was removed in one part of the rule and added in another. **Ms. Bent stated** that proprietary and post-secondary schools are not governmental agencies and as such cannot request FBI checks on individuals.

Senator Winder posed a question about the provision requiring institutions to guarantee the education of all enrolled students. **Ms. Bent** asked **Harvey Lyter** to answer the question, and he indicated that the provision applied to non-accredited post-secondary institutions as defined earlier in the section. **Senator Winder** also asked if it is normal for an institution to be responsible for costs incurred associated with reviewing a post-secondary institution. **Mr. Lyter** indicated this was a standard procedure.

Senator Schroeder asked **Dr. Mike Rush** to explain issues that have faced proprietary school registration in the past. **Dr. Rush** explained that the state has been lax in enforcement of proprietary school registration which has resulted in institutions granting "bogus" degrees. Proposed legislation will require institutions to purchase bonds that would cover tuition recovery while removing the state as a middleman in the event an institution goes out of business. However there has to be an alternative for unaccredited schools, so the state has essentially copied the accreditation and become an accrediting agency. Every legitimate degree-granting institution tends to seek its own accreditation because although the state can grant an accreditation it is an expensive process.

MOTION: **Senator Schroeder** moved to approve Rule 08-0111-0802 subject to the clerical errors being corrected by **Mr. Stevenson**. **Senator Andreason** seconded the motion**.** The motion passed by voice-vote.

RULE: 08-0202-0804 **Pending Rule:** Provides for criminal history check fee for those seeking to teach American Indian Languages. **Ms. Willits** reviewed the purpose of the rule and advised the committee that to her knowledge there are no outstanding issues on this rule. She introduced **Mary Jane Oatnan-Wak Wak**, Indian Education Coordinator, State Board of Education, to take questions of the committee. In response to a question by **Senator Fulcher**, **Ms. Oatnan-Wak Wak** explained why the State is involved with implementing rules regulating American Indian languages. She further explained the need for the rule to apply to a tribal member seeking to teach outside the reservation.

MOTION: **Senator Fulcher** moved to approve Rule 08-0202-0804. **Senator Pearce** seconded the motion. The motion passed by voice-vote.

RULE: 08-0202-0807 **Pending Rule:** Provides for criminal history check fee as established in section 33-130. **Ms. Willits** discussed the rationale for Rule 08-0202-0807 and answered questions of the committee. **Senator Fulcher** inquired if there had been any negative response regarding the rule from individuals having unsupervised contact with students during the time this

rule has been in effect. **Ms. Willits** introduced **Christina Linder,** Director of Professional Standards and Certification, State Department of Education. **Ms. Linder** advised that the Department had opened this up to all school personnel, working out any problems up front with those involved, and there are no outstanding issues.

Senator Kelly inquired as to what information in a criminal background check would disqualify a person. **Ms. Linder** stated that specific standards are involved, but there are some multiple misdemeanors that might reject a certificate. **Senator Schroeder** asked if he could be comfortable that the process does not allow a child molester to be hired. **Ms. Linder** assured him that was true.

MOTION: **Senator Kelly** moved to approve Rule 08-0202-0807. **Chairman Goedde** seconded the motion. The motion passed by voice-vote.

ADJOURNMENT: **Vice Chairman Mortimer** handed the gavel back to **Chairman Goedde** who reminded the committee of the joint meeting tomorrow to take the report from the Office of Performance Evaluation on Adequacy and the report from the Legislative Services Office on an Inventory of Early Childhood in the State of Idaho. The meeting was adjourned at 4:11 p.m.

Senator John Goedde
Chairman

Sara Pealy
Secretary

Lois Bencken
Secretary

MINUTES

JOINT MEETING

SENATE EDUCATION COMMITTEE
HOUSE EDUCATION COMMITTEE

DATE:	January 15, 2009
TIME:	3:00 p.m.
PLACE:	East Conference Room, Joe. R. Williams Building
MEMBERS PRESENT:	Co-Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Fulcher, Pearce, Winder and Sagness (Malepeai) Co-Chairman Nonini, Vice Chairman Shirley, Representatives Block, Nielsen, Chadderdon, Shepherd (8), Wills, Marriott, Thayn, Gibbs, Hartgen, Thompson, Boe, Pence, Chavez, Durst, Chew
MEMBERS ABSENT/ EXCUSED:	Senator Kelly Representatives Trail and Wills
MINUTES:	**Senator Goedde** called the meeting to order at 3:05 P.M. and a silent roll was taken.
PRESENTATION:	**Rakesh Mohan**, director of the Office of Performance Evaluations, introduced the report entitled "Public Education Funding in Idaho" to the joint Committee members. He also introduced the members of his staff who produced the report. These staff members include; **Carrie Parrish**, **Maureen Shea**, **Jeff Shinn**, **Robert Thomas**, **Kathleen Sullivan** and **Tedd McDonald**. **Mr. Mohan** noted that the study was assigned by the Joint Legislative Oversight Committee (JLOC) to study adequacy and the stakeholders perspective of Idaho's Public Education Funding approach, as well as identify and evaluate adequacy issues based on stakeholders' perspectives on fund-distribution. However, no indication is given as to what the findings conclusions and recommendations the report should focus on, and the report is entirely and independently developed by OPE and it's consultants. This report talks about funding approach and linking that approach to outcomes; it also talks about taking strategic approaches. When the study was assigned there were some perceptions that the study would come out with a magic-bullet dollar figure cost of spending per-student, but the study could not have provided such a figure in good-faith. Because there was no audit of any agencies, there was no need for a response. As such there is no response as is standard in a report such as this. **Ms. Parrish** noted the timeliness of the report, indicating it provided opportunities to explore how education in Idaho can continue to move forward with or without additional funding. The report provides opportunities

to look at issues of accountability and cost-effectiveness in public education. She stated that the scope and objectives of the study included evaluating Idaho's approach to funding compared to that of other states, and identifying the strengths and weaknesses of those approaches. It also identified and evaluated adequacy issues based on stakeholder's perspectives on fund allocations to districts and individual schools. She defined equity and adequacy (copy of Powerpoint Presentation attached), noting that equity is more difficult to closely monitor because there are times when fair distribution of funds intersects with whether or not funds are sufficient.

Ms. Parrish pointed out that Idaho's last formula revision was in 1994 through **Senate Bill 1560**, where two of the primary changes included calculations for staff salaries and additional funding added to public education base. She announced that there were three primary report conclusions: 1) conducting an adequacy study is not the solution; 2) Idaho can move forward without an adequacy study; 3) Idaho's funding approach should be reviewed.

Robert (Bob) Thomas addressed the first finding, noting that how other states address funding went into this report. He stated that there are three predominant reasons states conduct adequacy studies: response to legal challenges, to avoid litigation and to improve the state's education system. He noted the concerns about legal challenges lies in the chronology of school finance litigation having been faced nationally (Slides 8, 9 of Powerpoint Presentation). He also addressed the issue of adequacy studies, stating that the desired outcome of an adequacy study on the state level is to meet statutory or constitutional requirements, and to tie funding levels to specific performance outcomes. He stated that the "magic bullet" Mr. Mohan talked about at the beginning of the presentation is usually the desired result, and one that can not be achieved.

Mr. Thomas also addressed "Best Practices," as defined in the report (Slide 11 of Powerpoint Presentation), and that all methodologies have strengths and weaknesses. He noted no promise of any adequacy studies has been fulfilled, and pointed out weaknesses in current adequacy studies, stemming from differing definitions of adequacy (Slide 12 of Powerpoint Presentation). In summary, he stated that adequacy studies may over-promise what can be achieved, standards for adequacy are too often set as rigid requirements instead of goals, and attempts to avoid litigation can backfire if requirements are not met.

Ms. Parrish addressed the question of how Idaho can move forward by stating there was a need for using a cyclical process of goal-setting, investments, outcomes and evaluation, which is outlined on slides 16 through 19 of the Powerpoint Presentation. There is also a need to ensure that the objectives and characteristics common to other state-funded programs are incorporated into the funding process for public education. When discussing goal-setting, she noted that teachers are the least likely to pick standardized tests as an indicator of student achievement, while superintendents are the most likely to pick them.

The issue of reviewing Idaho's education funding was brought up by **Ms. Parrish**, who indicated three considerations that need to be taken before policymakers move forward in funding issues (Slide 21 of Powerpoint Presentation); these three considerations should be used to set the course for future funding. She addressed student achievements on tests and equity in education funding.

Dr. Kathleen Sullivan addressed measures of equity, which were to include equality of distribution and fiscal neutrality (Slide 24 of Powerpoint Presentation). She also made note of total funding per pupil, and concluded that there is a degree of equity at the state level on both indicators: equality of distribution and fiscal neutrality. There is however less evidence of equity at the local level on both indicators. **Dr. Sullivan** discussed equity results in terms of equality of distribution and fiscal neutrality, concluding that there may be some discrepancy as to whether the Equality of Distribution Standard has been met state-wide. This is because a smaller school-district may be receiving more funding to provide the same opportunities that a larger school can do on a less-per-student budget.

Maureen Shea discussed the formula rationale. She explained that stakeholders have voiced concerns that the discretionary funds are not keeping pace with fixed costs. In response to a question regarding the use of these funds, **Ms. Shea** explained that a history of discretionary funding can be found on page 34 of report. She further explained that funding has decreased in recent years. She reported that discretionary funding is a priority for nearly 88% of superintendents surveyed. Funding for Special education is discussed on pages 30-32 of the report. She explained that there has been tremendous growth in the area of students identified as seriously emotionally disturbed. The concern that the state may have over reported or under reported this figure is discussed in appendix b of report. **Ms. Shea** also discussed the major report conclusions. These conclusions include; conducting an adequacy study is not the solution, Idaho can move forward without an adequacy study and Idaho's funding approach should be reviewed.

Questions from committee members included; **Co-Chairman Nonini** questioned why there was such growth in the number emotionally disturbed students. OPE responded that they were not able to get that information.

In response to a question regarding an effective process than the current funding formula process used for public schools, **Mr. Thomas** explained that an incremental approach would be best and one should also look at best practices and programs that work. It was explained that goals are things to work towards and with a legislative approach the legislature is the driver in funding approach. In response to a question regarding funding formula goals of the state, **Ms. Parrish** responded Idaho does not have its own set of goals and is being mandated by federal goals such as No Child Left Behind. She further explained that the report did not try to identify what goals would be best for Idaho and this was left up to the policy makers. In response to a question regarding invalid conclusions, **Mr. Thomas** explained that the report looked at different measures and not the whole picture and it does not give a clear answer. In response to a question

regarding if the report says that more or less money should be put in public education, Mr. Thomas responded that the report is not an adequacy study and more study is needed.

Mr. Mohan concluded the presentation and explained that if there were any additional questions from committee members, his office will answer at them at another time.

PRESENTATION:

Paul Headlee, senior budget and policy analyst from the Legislative Services Office presented his report entitled "Early Childhood Development and Education in Idaho" to the joint committee. He explained that this report is an inventory of government funded early childhood programs in Idaho. He explained that this inventory was done at the request of the chairmen of the Senate and House Educations committees. The chairmen were interested in what early childhood development and education programs are conducted in Idaho with government funding, the funding sources, and numbers of individuals served. The chairmen were also interested in similar information from other states and Idaho's use of federal funding. (Copy of power point presentation attached)

Mr. Headlee explained that he did not review program effectiveness but kept it at the inventory level. In response to question regarding tribal schools, he explained that they were not part of the inventory. He further explained that the inventory is focused exclusively on entities that receive government funding. 22 programs were identified and FY 2008 program expenditures totaled $95 million dollars for these programs. He explained that 94% of these expenditures were directed toward low income families and children, special needs children, and students who are academically at risk.

The key programs include; Head Start and Early Head Start, Idaho Child Care Program, Infant and Toddler program, Early Childhood Special Education, Title 1, part A funding and Medicaid services. He explained that these programs account for 91% of the total expenditures. In response to a question regarding if the same children can be served in multiple programs, **Mr. Headlee** explained that this could be the case. He also explained that Medicaid services are services that take place in the school. He explained that he surveyed 180 cities. He reported that with limited budgets most are able to serve quite a few students.

He explained that he does not have information at county level but it will be available later during the session. In response to questions, **Mr. Headlee** explained that the funding discussed is state dollars. He also discussed the states that fund pre-kindergarten programs and the top ten states with highest pre-K participation rate. He discussed other reports that have been done that deal with this issue that are available.

In response to a questions regarding outcomes of pre-kindergarten programs and kindergarten readiness, **Mr. Headlee** explained that he did not look at program outcomes or assess effectiveness. He explained that

Mr. Stan Burton, executive director of the Idaho Head Start Association could provide this information.

ADJOURN: As there was no further business to be brought before the joint committee, **Senator Goedde** adjourned the meeting at 4:50 P.M.

Senator John Goedde Co-Chairman	Sara Pealy Secretary
Representative Bob Nonini Co-Chairman	Claudia Howell Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	January 19, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Winder, Sagness, and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Fulcher
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*

MINUTES:

Chairman Goedde called the meeting to order at 3:05 p.m. and asked the secretary to take a silent roll. He proceeded with housekeeping items in the committee folders and then passed the gavel to **Vice Chairman Mortimer** for rules review.

Vice Chairman Mortimer stated that although the committee passed Docket No's. 08-0111-0802 and 08-0202-0807 on Wednesday, January 14, 2009, he wanted to note that all new rules merit closer inspection and asked committee members to review those rules and advise him or **Chairman Goedde** if they would like to reconsider any of those rules.

Vice Chairman Mortimer stated that there are several people in attendance with concerns relating to the last item on the committee's agenda, Docket No. 47-0101-0801. With the consent of other presenters, that item will be moved to the beginning of the agenda so that those concerns can be heard today in the event the full agenda is not completed.

DOCKET 47-0101-0801

Pending Rule: Relating to the Rules of the Idaho Division of Vocational Rehabilitation to provide more succinct language. **Tracie Bent**, representing the State Board of Education stated that the intent of the rule change is to provide succinct language regarding the service delivery process, update the Field Service Manual incorporated by reference, and add language regarding transparency of annual audits for vocational providers. The rule was brought to the Board by the Division of Vocational Rehabilitation. **Ms. Bent** turned the podium over to **Dr. Michael Graham**, Administrator, Division of Vocational Rehabilitation, to take questions of the committee. **Dr. Graham** advised that the proposed changes to this rule are made with the guidance of the Department of Administration following a monitoring review by the Federal Department of

Education and Rehabilitation Services as well as a Legislative Services Office (LSO) audit of the agency.

Dr. Graham stated that LSO requested the agency increase monitoring of service providers. This request established Section 301, which requires an annual audit of service providers. The fiscal impact of small service providers is in question, which has caused controversy. He stated there is also concern surrounding the removal of the section regarding appeal rights from the rule and referencing it by incorporation.

Vice Chairman Mortimer recognized **Senator Schroeder** who asked if there is a precedent for audits of private sector business in any other area that **Dr. Graham** deals with. **Dr. Graham** advised that of the 33 vendors the agency contracts with, 13 are private not for profit and, therefore, are required to have an annual audit. However, there is no precedent for asking a private for profit organization or agency to have this audit. **Senator Schroeder** further asked if some of the private for profit service contractors are sole proprietors or if they are corporations and what would be gained by an audit of a sole proprietor. **Dr. Graham** responded that there is a mix of sole proprietors and corporations and that there would not be much value gained from an audit of a sole proprietor.

Vice Chairman Mortimer recognized **Chairman Goedde** who inquired what type of audit **Dr. Graham** envisioned. **Dr. Graham** advised that it would be something much less than a full financial audit. Some providers have a spot audit which cost about $700. Other large vendors have procedures for full financial audits. **Dr. Graham** stated the agency spends a little over $6 million with service providers on an annual basis. **Chairman Goedde** inquired regarding the practice incorporating documents by reference in the rules. Although the incorporated document is more easily changed, the downside is that the Legislature rarely exercises their chance to thoroughly review the incorporated document. **Dr. Graham** advised that there is no reason why the state cannot be redundant and have them in both locations. He stated that client appeal rights are covered in federal regulations and having these appeal rights in the state rules is actually, for the most part, redundant with federal regulation.

Vice Chairman Mortimer recognized **Senator Pearce** who asked if **Dr. Graham** could provide the committee with information showing providers and how much service they render. **Dr. Graham** stated that information is available.

Vice Chairman Mortimer recognized **Chairman Goedde** who questioned whether it is worth going through this rule change inasmuch as the Governor's package proposed moving Vocational Rehabilitation from the Department of Education to the Department of Labor. At that point the Department of Labor would have to promulgate new rules. **Dr. Graham** stated he was unaware of the proposed move.

Vice Chairman Mortimer thanked **Dr. Graham** for his help.

TESTIMONY: **Kelly Buckland,** Executive Director of the State Independent Living Council, took the podium to express concerns, most of which have already been addressed by the committee. He suggested that a more appropriate way to accomplish the intent of the rule would be to have the agency do an audit on all of the organizations that provide services to see if they are actually accomplishing consumer satisfaction. He is also concerned about moving the due process out of rule and putting it into the Field Service Manual. This could create some confusion.

TESTIMONY: **Katherine Hansen**, Executive Director, Community Partnerships of Idaho, took the podium speaking in opposition to this pending rule (See Testimony, Attachment #1) and took questions of the committee.

TESTIMONY: **Kelly Keele** took the podium to speak in opposition to this pending rule. **Mr. Keele** is a provider of vocational services in eastern Idaho. Most of his concerns as a provider have already been covered by others today so he primarily addressed concerns about the rule that relates to his work with APSE, the network on employment. The purpose of APSE is to expand integrated employment opportunities for people with disabilities in the community. **Mr. Keele** expressed concerns regarding the transparency issues stating the requirements could take time and resources away from actual services and support that could be offered to the disabled. He has been advised that an accountant has to do an audit on an entire business entity unlike the partial audit as implied by the rule. Another area of concern is how community rehab providers would be able to ensure that they are in compliance with documents included by reference, which are only available at the office in Boise, when they may not even know what those documents are. This could limit consumer choice down the road if an agency found themselves out of compliance and lost their provider status. Although **Mr. Keele** is very much in favor of including the Field Services Manual by reference in the rule so any changes have to be reviewed by the committee, he has experienced problems getting a current copy of the Field Service Manual. The on-line copy of the Manual is one that will take effect based upon this pending rule. APSE also has a concern with deleting Section 100. In a cursory review of this change there is at least one right that has been taken away; that is the right for the consumer to choose whether he wants to use voluntary mediation. In the Field Services Manual that choice is left up to the Idaho Division of Vocational Rehabilitation. **Mr. Keele** stated that although most of his concerns can be worked around procedurally, he asks that Section 301 on transparency be rejected and that Section 100 on client appeals be retained in the rule. **Mr. Keele** took questions of the committee.

TESTIMONY: **Ron Enright,** representing The Idaho Council on Developmental Disabilities took the podium to speak in opposition to Section 301 of this pending rule. The council works to make life better for people with developmental disabilities in the State of Idaho. By focusing oversight efforts on the achievement of outcomes and consumer satisfaction, this allows the delivery of services to drive the choice of providers by individuals receiving those services. The Council does not see that adding an advisory board, undergoing a financial audit and exposing the

salary of the chief executive officers will accomplish any of the measures that the Council sees as essential. **Mr. Enright** provided statistics related to service providers in the not for profit and for profit sectors and concluded that the cost of meeting the requirements of this rule may actually force some of those providers out of business. **Senator Schroeder** asked if **Mr. Enright** felt that was the intent of the rule. **Mr. Enright** stated he could not state that was the intent of the rule. **Mr. Enright** concluded his remarks by advising the committee that Jim Bock, Executive Director of Co-ed asked that he convey that Mr. Bock also is in support of the Council's position to reject rule 301.

TESTIMONY: **Dwight Whittaker**, representing Access Idaho took the podium to speak in favor of the pending rule. Access Idaho is comprised of 13 private not-for-profit organizations providing services to people with disabilities throughout the State of Idaho. Access Idaho is in support of the pending rule, including Section 301. **Mr. Whittaker** provided the committee with a written position on this issue (see Attachement #2) and took questions from the committee. **Senator Pearce** asked if Access Idaho was involved in the rulemaking process. **Mr. Whittaker** advised that they were involved in providing input regarding the rule. **Senator Sagness** reminded **Mr. Whittaker** of his statement regarding the Department using discretion in the depth of the audit required depending on the size of the provider and asked if he knew that would indeed be the case. **Mr. Whittaker** deferred the question to **Dr. Graham. Chairman Goedde** asked if the adoption of this rule eliminated some for profit businesses as service providers, would that benefit members of Access Idaho. **Mr. Whittaker** stated that is not the intent of the language or the rule. **Senator Pearce** asked if the non profit groups had paid employees and, if so, what the range of pay for those employees might be. **Mr. Whittaker** responded that the non profit organizations do have paid employees and the range of salary would range from minimum wage to as much as $60,000 for a chief operating officer with 20 years experience.

Senator Kelly asked if other states have to deal with this issue. **Dr. Graham** advised that every state deals with this issue under federal monitoring of agencies. **Senator Kelly** asked if Legislative Services auditors feel more transparency is needed. **Dr. Graham** affirmed. **Senator Kelly** asked if those involved could go back to the table and come up with language on transparency that would meet everyone's satisfaction. **Dr. Graham** stated that they probably could not get consensus on this issue. **Senator Sagness** asked if auditing adjustments could be made to make the rule more acceptable to the smaller private sector organizations. **Dr. Graham** responded that he would be happy to attempt that.

MOTIONS: **Senator Schroeder** moved to reject Section 301 of Docket No. 47-0101-0801. **Senator Pearce** seconded, and the motion carried by **voice vote**. **Chairman Goedde** moved to reject Sections 100.01(a) and (b) 100.02 and 100.03 of Docket No. 47-0101-0801. **Senator Pearce** seconded the motion. It carried by voice vote.

DOCKET **Pending Rule:** Relating to State Board of Education Rules Governing

08-0104-0801 Residency Classification. This rule is proposed in an effort to clarify residency for tuition purposes at post-secondary institutions. **Senator Schroeder** requested that **Dr. Mike Rush,** Executive Director, State Board of Education, review the intent of the legislation prior to the rulemaking. **Senator Schroeder** asked for clarification as to what qualifies a student as an "in-state" resident? **Dr. Rush** explained that it was a "legacy issue." That is, undergraduates would go out of state for education then return, but were no longer considered dependents of their parents. The intent of this legislation is to allow students who leave for educational purposes and never gain residency in another state to return to Idaho as "in-state" residents.

Senator Schroeder expressed concern about students who move to and gain residency in another state, paying taxes and voting there. These students later attempt to enroll as in-state students in Idaho because they still have a parent or guardian in the state. **Dr. Rush** stated that under the current piece of legislation this was not a possibility.

Chairman Goedde questioned section J, which deals with Native American Indians, asking if it was a part of the legislation passed? **Dr. Rush** answered that it was. **Senator Schroeder** noted that he had been Chairman of the Indian Affairs Committee when legislation was passed allowing any enrolled member of one of the five federally recognized tribes in Idaho to be allowed to attend an Idaho institution at the cost of in-state tuition.

Tracie Bent, representing the State Board of Education, stated that the rule clarifies issues regarding presumable assumption in establishing domicile in the state of Idaho and clarifies language in the legislation passed in the 2008 Legislative Session.

Senator Schroeder asked if the statutory language was worded so that one has to meet five of the seven factors as written in the rule, at which point, **Ms. Bent** deferred to **Dana Kelly**. **Ms. Kelly** confirmed that this was the case. It was brought to the attention of the committee and **Dennis Stevenson**, Legislative Services, that only six factors were listed; the seventh was listed under a different subheading. This could be changed under the auspice of a clerical correction.

Senator Schroeder also brought to the attention of the committee a change in residency requirements for students who have been out of the country. This change allows for students to be out of the country for as long as 30 months, as compared to the previous limit of 12 months, allowing students on missions to keep their residency.

Senator Schroeder asked about feedback from students, which **Ms. Bent** said has been overall fairly positive. The exception has been feedback from those who would not have qualified for residency under the old rule.

DOCKET: 08-0111-0801 **Pending Rule:** Relating to State Board of Education Rules Governing Out-of-State Institutions, In-State Non-Accredited Institutions and

Correspondence or Private Courses. According to **Ms. Bent** Docket 08-0111-0801 is a chapter repeal, the replacement of which was approved on Wednesday, January 14, 2009. The reason for this repeal was that it cost more money to mark the changes and rewrite the chapter than to repeal and rewrite it.

DOCKET: 08-0202-0801

Pending Rule: Relating to State Board of Education Rules Governing Uniformity. The change in Docket 08-0202-0801 was made to better reflect nationally recognized names and standards. The docket was presented to the committee by **Luci Willits**, Chief of Staff, Department of Education.

DOCKET: 08-0202-0802

Pending Rule: Relating to State Board of Education Rules Governing Uniformity. Docket 08-0202-0802 adds an appeals process and clarifies what the state department can do if a certification is in question according to the endorsement. The docket was presented to the committee by **Ms. Willits**.

DOCKET: 08-0202-0803

Pending Rule: Relating to State Board of Education Rules Governing Uniformity. **Ms. Willits** advised that this Docket 08-0202-0803 makes several changes, two of which are incorporated by reference. One change is to standards on initial certification of professionals and personnel, and the second is to standards for Idaho School Buses and Operations (SISBO). The majority of the changes to SISBO are to reflect national standards. This change would also allow depreciation to be based on mileage rather than years in rural school districts because of a longer length of bus routes. The savings over a 37 year period is $12,000; however, this change would help with efficiency in rural school districts.

DOCKET: 08-0202-0805

Pending Rule: Relating to State Board of Education Rules Governing Uniformity. **Ms. Willits** explained that Docket 08-0202-0805 makes changes to the requirements for a school counselor endorsement by increasing the percentage of field experience time required. It also changes the school psychologist endorsement by increasing the minimum number of hours for the required interNship from 300 hours to 1,200 hours. Idaho schools offering this degree currently require 1,200 hours. This will more closely align Idaho's standards with those of the National Association of School Psychologists.

Vice Chairman Mortimer inquired as to whether other states have comparable rules. **Ms. Willits** deferred the question to **Christina Linder**, Director of Certification, Department of Education, who advised that these changes are in line with national standards and should allow for reciprocity between the states.

DOCKET: 08-0202-0806

Pending Rule: Relating to State Board of Education Rules Governing Uniformity. **Ms. Willits** advised that Docket 08-0202-0806 provides additional routes to expedite emergency endorsements/certifications when necessary. These additional routes to endorsement allow teachers to obtain additional endorsements through three options: traditional coursework through a college or university, National Board certification, and through testing or assessment such as the Praxis II test. This will allow Idaho school districts to request emergency

endorsement/certification when a professional position cannot be filled with someone who has the correct endorsement/certification. This type of certification is nonrenewable and only valid for up to three years.

Chairman Goedde asked **Ms. Willits** for clarification that this would involve a currently certified teacher who would like certification in an additional subject matter. **Ms. Willits** affirmed.

Senator Sagness inquired whether this certification process was reviewed by the Professional Standards Commission. **Ms. Willits** deferred the question to **Ms. Linder** who advised that all alternate routes to certification do go through the Professional Standards Commission.

DOCKET 08-0203-0802

Pending Rule: Relating to State Board of Education Rules Governing Thoroughness. **Ms. Willits** stated that Docket 08-0203-0802 updates the Idaho Content Standards to include course-specific math content standards for high school because current 9th and 10th grade standards do not reflect the additional courses required for the graduating class of 2013. The name of the Idaho Alternative assessment Extended Content Standards is also changed to the Idaho Extended Content Standards. These standards have been reviewed by the National Council of Teachers of Mathematics.

DOCKET: 08-0203-0803

Pending Rule: Relating to State Board of Education Rules Governing Thoroughness. **Ms. Willits** stated that this rule requires that effective April 1, 2009, all students taking the Idaho Standards Achievement Test (ISAT) have a unique student identifier. **Ms. Willits** described the method of arriving at a unique student identifier for the committee, stated that this project is already in process and the Department hopes to have it completed by April 1, 2009.

Senator Schroeder asked if the technology is available to achieve this project. **Ms. Willits** advised that at the present time they are only assigning the unique identifier and should have that phase completed by April 1, 2009. The Legislature did appropriate $2.5 million for this project last session and the Department has applied for a $6 million federal grant which they are hopeful will be approved. Her best estimate, with the uncertain economy, is that technology for data warehousing will be available within 3 to 4 years.

DOCKET: 08-0203-0804

Pending Rule: Relating to State Board of Education Rules Governing Thoroughness. **Ms. Bent** advised that Docket 08-0203-0804 changes this rule to align with the rule of the US Department of Education requiring first year Limited English Proficient (LEP) students to take the standard achievement tests in not only math, but science as well. The rule also eliminates the word “spring” allowing scores on either the Fall or Spring 10th Grade ISAT to be used for graduation purposes.

DOCKET: 08-0203-0805

Pending Rule: Relating to State Board of Education Rules Governing Thoroughness. **Ms. Bent** stated the intent of this rule is to combine Sections 08.02.03.105 and 08.02.03.107 to remove redundancies and provide clarity and consistency in the language. The other intent of this rule is to defer the science portion of the 10th Grade ISAT requirement for

graduation to the year 2013 because schools are not prepared to have their students meet this requirement.

Senator Schroeder asked what happens if an LEP student does not achieve a proficient or advanced score on an ISAT after having been in an LEP program for three academic years or less. **Ms. Bent** advised that there is an alternate mechanism to graduation for students who do not pass the ISAT.

DOCKET: 30-0101-0801

Pending Rule: Relating Rules of the Idaho Commission for Libraries Governing the Use of Commission Services. **Ann Joslin**, representing Idaho Commission for Libraries advised that Docket 30-0101-0801 is necessary to be in compliance with a bill passed by the 2008 Legislature establishing a digital depository of state publications for the purpose of making those publications readily available to the public. She advised state agencies are happy with the process, it saves on printing costs and good progress is being made to meet the law.

Senator Kelly noted there is a process for granting exemptions with an expiration date in the rule and asked if that would require a periodic review. **Ms. Joslin** stated that no requests from state agencies for exemptions to the requirements have been received. She stated that anticipated exemptions would be those for digital formats that the Commission might not have the capability to accept. The reason for the expiration date on an exemption is so that we can reassess whether or not the capability of the Commission has changed.

In response to a question from **Senator Winder** regarding the need to notify JFAC regarding funding of this project, **Ms. Joslin** stated that the project was funded in fiscal 2009.

Pending Rules do not need approval. Unless the committee has objections, they will automatically go into effect.

Vice Chairman Mortimer concluded the rules review and passed the gavel to **Chairman Goedde** who adjourned the meeting at 5:05 p.m.

Senator John Goedde
Chairman

Sara Pealy
Secretary

Lois Bencken
Assistant Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	January 20, 2009
TIME:	3:00 P.M.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Fulcher, Pearce, and Sagness
MEMBERS ABSENT/ EXCUSED:	Senators Winder and Kelly
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes, in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:10 P.M. He asked the secretary to take a silent roll. He reordered the bills on the agenda, and announced the committee would begin by hearing **RS 18274C1**. Additionally, he announced that there is a lavender sheet with a list of proposed changes from the Office of the Governor.
RS 18274C1:	State Librarian **Ann Joslin** was introduced. She stated that **RS 18274C1** would move the Idaho Commission for Libraries from the office of the State Board of Education to the Department of Self-Governing Agencies, a proposal which came from the Office of the Governor. **Senator Schroeder** asked for confirmation that there would be no fiscal impact, with no increase in administration costs or board-member pay? **Ms. Joslin** confirmed that this was the case, and in fact it may reduce costs through dealing directly with other agencies rather than going through a third-party agency.
MOTION:	**Senator Schroeder** moved to print **RS 18274C1**. The motion was seconded by **Vice-Chairman Mortimer**. **Senator Pearce** requested confirmation that there would be a hearing once the RS was printed, which **Chairman Goedde** affirmed. The motion passed by voice-vote.
RS 18272C1:	**Janet Gallimore**, Executive Director of the Idaho State Historical Society, stated that **RS 18272C1** held the same implication for the Idaho State Historical Society as **RS 18274C1** did for the Idaho Commission for Libraries. Additionally, extensive statutory analysis indicated there would be minimal fiscal impact, noting there would be no doubling of meetings for board members.
MOTION:	**Senator Sagness** moved to print **RS 18272C1**. The motion was seconded by **Senator Andreason**. The motion passed by voice-vote.

RS 18263: **RS 18263** proposes to move the Veterans Education Program out from under the Board of Education to the Division of Veterans Services. This RS was presented by **David Brasuell** of the Division of Veterans Services.

MOTION: **Senator Schroeder** moved to print **RS 18263.** The motion was seconded by **Senator Pearce**. The motion passed by voice-vote.

RS 18245C1: **Mark Browning** with the Idaho State Board of Education stated that if printed, **RS 18245C1** would significantly strengthen Idaho's ability to recover tuition monies for students if a proprietary school were to close its doors prior to completion of a course of study. **RS 18245C1** also removes exemptions for flight schools (Attachment 1).

Chairman Goedde asked if proprietary schools were consulted on this RS. **Mr. Browning** confirmed that this was the case. **Senator Pearce** questioned if other states do this and if so, was this modeled after those states. **Mr. Browning** confirmed this as well. **Senator Pearce** followed up by asking about the potential costs to institutions, which Mr. Browning deferred to **Harvey Lyter**. **Mr. Lyter** indicated that cost to institutions would be directly correlated to tuition profits; schools making less in tuition would see a smaller impact as compared to schools making more in tuition.

Dr. Mike Rush, Executive Director, Office of the State Board of Education, noted that this was specifically modeled after the State of Utah's bonding system.

MOTION: **Senator Sagness** moved to print **RS 18245C1**. The motion was seconded by **Senator Andreason**. The motion passed by voice-vote.

RS 18240C1: **Mr. Browning** stated that **RS 18240C1** is to clarify and provide consistency in the steps the Idaho State Board of Education must take when considering a proposal to modify or consolidate school districts. **Chairman Goedde** asked for, and was granted, confirmation that both other organizations involved with this had no objections.

Senator Schroeder asked if this RS would make it easier for a Superintendent of Instruction to force consolidation? **Mr. Browning** stated that no, it would not make this easier.

MOTION: **Senator Fulcher** made a motion to print **RS 18240C1**. The motion was seconded by **Vice Chairman Mortimer**. The motion passed by voice vote.

Senator Schroeder requested discussion of the merits and demerits of placing agencies under the Department of Self Governing Agencies.

Chairman Goedde agreed to this, and adjourned the meeting at 3:25 P.M.

Senator John Goedde Chairman	Sara Pealy Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	January 21, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, Sagness, and Kelly
MEMBERS ABSENT/ EXCUSED:	
NOTE:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:02 p.m., asked that the secretary take a silent roll, and proceeded with house-keeping items in the committee folder.

PRESENTATION: Recognizing the importance of administrative leadership in supporting and maintaining teacher quality and, therefore, student achievement, Senate Concurrent Resolution No. 129 from the 2008 Session requested a study of the issue of administrator training and ongoing professional development for Idaho administrators. That study was undertaken by the Professional Standards Commission (PSC). **Christina Linder,** Director, Teacher Certification and Professional Standards, Idaho State Department of Education, and Director of the Professional Standards Commission (PSC) presented the Report to the committee (see attachment #1). This resolution was sponsored to go along with work that was being done by the Teacher Performance Evaluation Task Force because one of the key things being looked at was how teachers feel about the way they are being evaluated. The PSC was charged with taking a closer look at that evaluation.

Ms. Linder reviewed the findings from a survey completed by administrators, and the Commission's recommendations for improving and enhancing their training, specifically in teacher supervision and evaluation. This was not a scientific survey, but it is certainly informative. The actual survey is attached as Appendix 1 to the Report. Of 735 acting administrators, 293 responded. **Ms. Linder** pointed out that the data is very informative, but was based on self report and was obviously from the administrators' perspective.

Ms. Linder stated that because of the time-line of this project the report states that it is submitted without the final approval of the

entire Professional Standards Commission. However, at the September 26th meeting it was reviewed and approved.

Senator Sagness stated that the report is a very useful beginning. He feels this issue is critical both in terms of supervision and evaluation. If we are ever going to achieve any kind of change in our salary structure, it is going to have to be based at least in part on this kind of evaluation process. He asked **Ms. Linder** what priority she would give the different areas involved. She stated that much depends upon what happens with the recommendations from the Teacher Performance Evaluation Task Force. However, it is unquestionable that the highest priority should be to provide consistent training to administrators and requiring a particular set of professional development courses to ensure everyone is working in a consistent fashion.

Senator Sagness suggested that we use this time, while budgets are tight, to do effective planning so that we are ready to roll when the funds become available. **Ms. Linder** stated that it would be very helpful to have additional funding to support the Teacher Performance Evaluation Task Force and in moving forward with training administrators more consistently. However, she feels that with federal funds available, the work can begin on the consistency issue.

Chairman Goedde asked if PSC needs a directive from the Legislature on how to proceed. **Ms. Linder** stated that PSC has discussed how to prioritize this work but would appreciate advice from this committee as to the areas it sees as priority. **Chairman Goedde** advised the committee that it would soon be receiving a presentation for the Teacher Performance Evaluation Task Force.

Chairman Goedde asked, once PSC has standards in place for administrators, what authority PSC has at our schools of education at post secondary level to make sure that the curriculum for administrators is in alignment with these standards. **Ms. Linder** stated that would be accomplished through the university approval process which is ultimately approved by PSC. Once there is greater alignment and a better communication, what is actually being looked for in a university can be approved or not approved for that program.

Senator Pearce asked if funds were needed to begin this project. **Chairman Goedde** stated that it is his understanding that the money is there, PSC just needs direction from the legislature as to where and how those funds should be applied.

Chairman Goedde thanked **Ms. Linder** for her presentation.

RS 18317:

RS 18317 was presented to the committee by **Senator Fulcher**. This RS has roots in the Governor's Task-Force for Children at Risk. The charter of the task-force is to identify new and better ways to

protect and better educate children. The Idaho State Code does not specifically define educational neglect, specifically that relating to home-educators. **RS 18317** is an attempt to better define educational neglect, home-education, charter-schools and virtual-charter-schools.

Senator Schroeder asked if the change regarding private, at-home instruction and the inclusion of public (including on-line or virtual) charter schools was for clarification purposes, which **Senator Fulcher** affirmed. Senator Fulcher explained that when the code was adopted there was no such thing as a charter-school or virtual-charter-school, so this was to clarify that.

Senator Schroeder asked if this was an attempt to give cover to parents who claim to home-school their children without really educating them. **Senator Fulcher** explained that no, this was instead a step towards identifying what educating is. He stated that although this would not magically erase this problem, it would help define what neglect is and provide for some intervention.

Chairman Goedde asked if there would be people available from the home-schooler's association available to testify, which **Senator Fulcher** affirmed.

Senator Sagness asked if the state has any responsibility to see that a child being home-schooled is being educated along the lines of state requirements? The understanding had by **Senator Fulcher** is that no, the State did not retain that responsibility. **Senator Pearce** noted that if the State were to do so, it would, on the flip side, be responsible for loss of income if a student could not produce professionally after 12 years of public-schooling.

Senator Kelly questioned the wording regarding comparable instruction, the shift from "comparable to public, private or parochial schools" and the addition of "privately instructed at home." **Senator Fulcher** deferred to **Kirtlan Naylor**, who stated this was intended to be a non-exclusive list, and the emphasis was not to be put on at-home instruction.

MOTION: **Senator Pearce** moved to print **RS 18317**. The motion was seconded by **Vice Chairman Mortimer**. The motion passed by voice vote.

RS 18284: **Dr. Mike Rush**, Executive Director, Office of the State Board of Education, presented **RS 18284**. This RS moves the responsibility for education of inmates under the responsibility of the Department of Correction from the Office of the State Board of Education to the Division of Professional-Technical Education (PTE). It reflects the fact and recognizes that the key educational intervention needed in the State prison system is GED, ABE instruction and technical skills training.

MOTION: **Vice Chairman Mortimer** moved to print **RS 18284**. The motion was seconded by **Senator Fulcher**. The motion passed by voice vote.

RS 18242: **RS 18242** relates to the Idaho Council for Technology and Learning and is again presented by **Dr. Rush**. When implemented, the ICTL was charged with accountability of technology and use of technology in schools. In the last two years, however, the ICTL has floundered. After a significant number of discussions, particularly with retired Senator Mel Richardson, the conclusion is that this effort is past its usefulness. Technology is much more integrated into regular structure of schools, and as a result technical support has become much more integrated as well. Although the ICTL has done its job, it no longer needs to exist. As a result, it has been deemed that the overhead and extra costs associated with the upkeep of this council are no longer worth it.

Chairman Goedde noted that he was sensitive to the fact that this was proposed the first year Senator Richardson was no longer present in the legislature, and was pleased to hear that **Dr. Rush** had contacted him in this decision-making process.

MOTION: **Senator Fulcher** moved to print **RS 18242.** The motion was seconded by **Senator Winder**. The motion passed by a voice vote.

With no further business, **Chairman Goedde** adjourned the meeting at 3:45 P.M.

Senator John Goedde
Chairman

Sara Pealy
Secretary

Lois Benken
Assistant Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	January 22, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, Sagness, and Kelly
MEMBERS ABSENT/ EXCUSED:	
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes, in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:05 P.M. He announced the committee members had a handout dealing with one of the stimulus package considered in the House of Representatives (attachment 1). He also stated that Senator Schroeder would be going through two documents after hearing **RS 18278**.

RS 18278: **RS 18278** deals with the transfer of the Skills Training Advantage for Riders Program (STAR) from the State Department of Education to Idaho State University (ISU). It was presented by **Jason Hancock**, Deputy Chief of Staff, State Department of Education (SDE).

Mr. Hancock noted that the STAR program was established in 1994 by the Legislature and was run by the SDE through 2005, at which point the actual day-to-day running of the program was subcontracted out to Boise State University (BSU). At this point the SDE is a middle-man in running the program.

The SDE is in the process of transferring the MOU to ISU as it does not feel it is a good mission fit for the SDE. The SDE is primarily focused on K-12 education and the STAR program is for educating adult riders.

Chairman Goedde stated he was concerned about handing ISU a large amount of money, but because of how the funding of the program works, there is only about $17,000 actually in the account.

Senator Schroeder expressed concern that Lewis and Clark State College might lose their motorcycle training program. **Mr. Hancock** clarified that there may be a satellite program run by BSU on the LCSC campus, but that it was in fact through the BSU program which was renting space there. He stated that the program would most likely remain.

Mr. Hancock clarified after questioning from **Senator Andreason** that ISU is well-equipped to handle the STAR program through their technical college.

Senator Winder wanted to ensure that BSU was aware of this transition. **Mr. Hancock** affirmed that there has been continued discussion with BSU, and all involved parties know that as of March 1, the program will be terminated at BSU and permanently housed at ISU.

Senator Pearce requested information as to what ISU would get out of this transition. **Mr. Hancock** stated that ISU would get control of the program; the operation is self-funded, however the cost of office space would be funded out of fees. **Senator Pearce** followed by asking if ISU would be coming to the committee with fee increases during the next legislative session. **Mr. Hancock** stated he was not aware of any proposed fee increases.

Senator Sagness noted for the benefit of the committee that ISU is excited to receive the program, as it is designed to specifically handle a program such as this.

MOTION: **Senator Pearce** moved to print **RS 18278**. The motion was seconded by **Senator Andreason**. The motion was carried by voice vote.

Senator Schroeder explained the handouts he had placed in the committee folders. The first handout was in response to a question he had posed regarding reduced-fee classes and tax waivers (attachment 2). The second handout was regarding educational costs to the state as it related to these reduced-fee classes (attachment 3). He noted that on the last page of this second handout, it was explained that these reduced-fee classes cost the state $36 million of the estimated $251 million it acquired in student fees in 2007.

PRESENTATION: **Timothy Hill**, Deputy Superintendent of Finance, Child Nutrition, and Student Transportation for the Idaho State Department of Education, presented the annual SDE report on Public School Finance (attachment 4). **Mr. Hill** stated that the report had many goals, including explaining where public school funds come from; how they are distributed; how Average Daily Attendance (ADA) is calculated; what a support unit is and how it is calculated; what salary-based apportionment is and how it is calculated; how much a support unit is worth; what a distribution factor is and how it is calculated; what the payment distribution schedule is; how foundation payments are calculated for school districts and charter schools; and to explain the three main reasons that revenues per ADA vary (attachment 4, slide 1).

Mr. Hill explained that the pie chart on slide 2 reflects the original estimate for the general fund of Fiscal Year 2009 (FY 2009) and the breakdown of how it is funded. The chart on slide 3 represents total appropriations for FY 2009, from which **Mr. Hill** noted that $1.418 billion (just under 48% of the total appropriation budget) goes towards public schools. Additionally, when Colleges, Universities and other Educational institutions are added to the appropriation budget, almost 2/3 of the

appropriations are applied to educational needs. He also stated that the Percentage Sources (slide 4) and Percentage Distributions (slide 5) of the General Fund and General Fund Appropriations have stayed fairly stable in the last ten years.

Mr. Hill provided an explanation of how the Idaho State Code defines Average Daily Attendance (slide 6), and explained the formula for calculating the attendance divisor for Support Units. Because of costs associated with differing levels of education, ADA divisors vary (slide 7); however, regardless of the divisor the funding is still based on attendance numbers as opposed to enrollment numbers. He also noted "Exceptional Support Units;" that is, support units applied to special education in preschool, kindergarten and secondary settings as well as juvenile detention centers.

Senator Winder questioned the disparity between the kindergarten divisor and elementary school divisor, asking if it wouldn't create a larger educational gap? **Mr. Hill** explained that because the state funds half-day kindergarten, funds applied towards kindergarten are much more flexible. As such, as long as a kindergarten meets for ten half-days in a two week period, the school will keep its funding at that level.

Chairman Goedde asked **Mr. Hill** to address the funding of virtual academies, who stated that there are two possible ways to calculate funding of virtual academies. The first is time-on-task, or how long a student spends working on a course. The second, which is a much more desired way to calculate funding, is percent completion. This latter calculation is based on how much course-work has been completed when compared to a traditional educational setting.

Mr. Hill gave a mock-up of a school district's calculation of support units (slide 9), and explained the "experience and education multiplier" as applied to teachers and administrators (slide 10), stating it allows schools to pick the best fit rather than the cheapest hire. He also presented a mock-up of how to calculate a per-student budget (slide 10) based on the mock-up from slide 9, and through an Excel spreadsheet demonstrated how changing the Statewide Average Index and/or the student mix changes the per-student budget.

The distribution of earmarked funds and discretionary funding was also explained (slide 14), which was followed by an explanation of the distribution schedule. Whereas districts had previously received 20% of their funding five time per year, the schedule has been altered so as to follow a front-loading distribution model, with the breakdown encompassing six (versus the previous five) payment periods. The first two periods each pay out just over 29% of a district's annual budget; the third pays out approximately 19.5%; the fourth, 11%; the fifth, 9.75%; and the sixth, 1.27%. As explained by **Mr. Hill**, this takes into account the school's growth percentage and ADA from the previous year, as well as the ADA from the first ten weeks of the current school year. The final payment takes into account the best 28-week period of ADA.

Mr. Hill gave a break-down of special distributions (slide 14), which include levy's, charter school advance payments, textbook allowances, etc. He also included a final foundation program calculation (slide 15), which displayed the start-to-finish calculations, ratios and payments. On a final note he pointed out the ratio calculated at the end of this spreadsheet, which is the number used for sending out the advance-payments for the following year.

Senator Sagness asked if monies for school supplies and instructional materials were separate, or if they came out of allocations. **Mr. Hill** responded that though there was no designated instructional allowance, there was a discretionary pot of money that districts and charters had available for their needs. Prior to classroom enhancements as a special distribution, districts had to find money within their discretionary funding for supplies. It is the understanding of **Mr. Hill** that Superintendent Luna wanted to ensure that every district and charter school teacher had available $350 for classroom supplies and funding.

Senator Sagness asked if districts were or were not required to give the money to teachers. **Mr. Hill** stated that under the current language the districts and charters are required to give teachers the spending authority of $350 for every full-time employee.

In response to questioning by **Chairman Goedde**, **Mr. Hill** explained that charter schools gain additional funding in a variety of different ways. Charter schools have different divisors versus a public school. Chapter 52 of the Charter School Statute allows for charter schools to have their own index based on who they hire versus who a district would hire. Charter schools also lack the protection support unit that school districts get if they lose more than 1% of the previous year's ADA, and charter schools get small-district staff allowance.

Charter schools are also exempt from the "use-it or lose-it" caveat of school districts; that is to say, if a charter school is budgeted for nine teachers, and only hires eight, it still gets the funding for the ninth teacher. In response to questioning by **Senator Andreason**, **Mr. Hill** noted that there is data regarding whether or not schools are doing this. He stated that there are virtual charter schools who do proceed in this fashion, but because the money has gone towards educational purposes (technology, etc.) , the legislature has continued to allow these schools to proceed in such a manner. When asked by **Senator Schroeder**, **Mr. Hill** stated that the most likely outcome by reinstating the "use-it or lose-it"caveat on charter schools would be that a number of smaller ones would be forced to close their doors because there would not be enough to cover operating costs. **Mr. Hill's** final differentiation between charter school funding and public school funding is that charter schools lack the taxing authority of school districts.

Chairman Goedde asked what suggested changes **Mr. Hill** may have to create better equity funding in the funding formula as per the suggestions made by the Office of Performance Evaluation. Mr. Hill stated that when he started in 1997, it was rare for the SDE to receive calls about students

in multiple public school programs. The formula as calculated now does not recognize the scenario of splitting money between two programs for a student. If the Legislature wanted to provide that choice for students, that would be an area the SDE could look at. He also stated that there is no money allocated towards virtual schools, which is another area the Legislature could look at. Finally, looking at the percentages of special-education funding (currently at 5.5% to 8%) is not in line with special-education enrollment (approximately 10% state-wide). However, the latter of these could have a significant fiscal impact. That said, since the funding formula was implemented in 1994, there have been a number of changes which have been addressed as needed rather than all at once. The changes, though not noticeable at the time, have created a significantly different funding formula from the one that was initially created.

Hearing no further questions, **Chairman Goedde** announced that because of the referral process, the Education Committee would not be hearing three of the bills it had moved to print.

Chairman Goedde adjourned the meeting at 4:30 P.M.

Senator John Goedde Chairman	Sara Pealy Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	January 26, 2009
TIME:	3:00 p.m.
PLACE:	J.R. Williams Building, West Conference Room
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, and Sagness
MEMBERS ABSENT/ EXCUSED:	Senator Kelly
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:05 p.m. and asked the secretary to take a silent roll. He reminded members of the committee of the revised photo schedule and proceeded with housekeeping items in the committee folders.

PRESENTATION: **Cindy Johnstone**, with the Idaho Department of Education, provided an update for the committee on progress made on the Math Initiative since July (attachment 1,2). She identified three main areas of focus: (1) student achievement; (2) teacher education or professional development; and (3) public awareness.

Regarding student achievement, the Math Initiative is specifically focused on four key areas: school standards (especially the Primary Math Assement, or, PMA, which would be later addressed by **Dr. Jonathan Brendefur**); curriculum; assessments (including the continued use of the Direct Math Assessment [DMA]); and intervention, the latter primarily in the form of the Apangea Math program.

Ms. Johnstone also outlined the two other main areas of focus: teacher education, including Mathematical Thinking for Instruction (or, MTI, which would be further addressed by **Dr. Brendefur**), and public awareness through the use of Public Service Announcements.

Dr. Brendefur first addressed the PMA., which was created by the IDE and piloted with about 3,000 students. It was built for teachers based on standards and predictability. Through it teachers can assess student performance in several areas that are well-known predictors of success later on.

In the Mathematical Thinking for Instruction (MTI) project, there are three different courses in the developmental stage: one for K-3rd grade, one

for 4-8 grades, and another for 6-12 grades. An instructors manual has been developed and piloted to about 500 teachers. Of those 500, 12 of those with the necessary abilities have been selected to begin teaching MTI courses this spring. By the end of summer, it is the goal of the program to have abut 2,000 teachers complete the course. Along with the course, the IDE and **Dr. Brendefur** have also created a pre-test post-test to look at where a teacher is at the beginning and where are they at the end.

PRESENTATION: **Chairman Goedde** welcomed **Brian Duncan**, President of the Idaho School Boards Association, to update the committee on the ISBA and discuss its position on the state of the budget, as well as some of its resolutions (attachment 3).

Mr. Duncan addressed the Lighthouse Project, which had been discussed with the committee during the 2008 Legislative session. He stated the goal of the project is to seek answers in response to the questions, "Are there things that school boards do that make a difference in student achievement, can we identify what they are, and can we improve student achievement when we share them with other districts?"

One of the main functions of the ISBA is to provide training and workshops for school board members, in order to assure that trustees are well-educated and prepared to run the business of a school district. Achieving this includes holding an annual convention as well as an increase in training, including more workshops.

Mr. Duncan stated that in addition to more workshops, he would like to see a voluntary "certified board member," and "certified board" award created this year. He also plans to publicly recognize one of the board members in each of the eight ISBA regions.

Regarding the budget this year, **Mr. Duncan** acknowledged that this is going to be a hard year for everyone, but wanted to remind the committee of the ISBA mantra: "make the cuts in places that have the least impact on the student in the classroom." With that in mind, he had four specific suggestions for committee members to consider: (1) regarding the lottery money and 2% set-aside, he would recommend allowing districts to use those funds where needed; (2) delay implementing the Math Initiative to a better funding year; (3) abandon the early retirement; and (4) furlough teachers for four, non-student days. He also addressed levies, as well as the pamphlet committee members received (attachment 4).

Senator Andreason asked for clarification regarding teacher early retirement: he was under the impression that it was implemented in an effort to save money. However, **Mr. Duncan** stated that although there are studies that say it does save money, they have not been able to confirm it.

A member of the audience stated that it had been around since the mid-1990s, and **Senator Goedde** confirmed he had heard it would save

money.

Senator Winder asked what, if any, research the ISBA has done on the effect of switching from property tax to general fund and the instability that is causing in schools. **Mr. Duncan** was not aware of any that has been done, nor if there is any coming down the pipe.

Senator Sagness wanted to know what **Mr. Duncan's** stance on lifting the charter-school cap was? **Mr. Duncan** stated though there is support to get the best education a parent feels they can for their child, when parents go into the voting booth they are in the position to make that happen through public schools. In response to questioning by **Chairman Goedde**, **Mr. Duncan** said the ISBA has not taken a stance on lifting the Charter School Cap, but that it would pose the question at the governmental affairs committee meeting.

PRESENTATION: **Chairman Goedde** welcomed **Dr. Dene Thomas**, President of Lewis-Clark State College, to present an update of the College to committee members (attachment 5). **Dr. Thomas** presented background information of the College and noted accomplishments thus far. She explained that the College is in place to meet a wide range of needs, including ABE and GED students, certificate, two-year and four-year programs, as well as community programs. College enrollment is up, and LCSC has been ranked by the Lumina Foundation for Education as the most affordable four-year college/university in the State of Idaho.

LCSC provides individual student support, particularly catering to those who may have a less than outstanding academic record. The College has worked to develop collaborative efforts on a state-wide level, through its nursing program, and with the Nez Perce tribe.

Dr. Thomas also noted that between 2002 and 2008 the revenue sources for the College shifted. It has reduced its reliance on the State Appropriation Fund, while increasing the percentage received from grants, contracts, student fees and gifts. She indicated that the increase in gifts shows in increase in the relationship the College has with the community. Additionally, although there has been in increase in students at LCSC, the College managed to cut the percentage of the budget spent on supplies between 2002 and 2008.

Regarding budget requests for FY 2009, LCSC has adopted the 4% reduction requested by the Office of the Governor. There has been a reduction in Operating Expenses, Irregular Help, a depletion of salary savings and carryover funds, and it has deferred the hiring for vacant personnel positions.

LCSC is approaching FY 2010 with a fully-integrated strategic planning effort. It is taking a long-term focus on the future education at the College, and taking numerous steps in the short-term to ensure it does not mortgage that future education in an effort to cushion the short-term impacts of the hold-backs.

Senator Andreason expressed concern over potential cutbacks that would be faced by the nursing program. **Dr. Thomas** explained that the nursing program would only be facing marginal cutbacks, and only in peripheral areas. In response to questioning from **Senator Sagness**, **Provost Tony Fernandez** stated that the College was planning to hold math education separate from cuts in the education department. However, it will be bringing a program to the Governor that does not include increased hires for the Chemistry and Mathematics programs, but instead rearranges some of the academic programs so as to recognize the Math/Science programs. **Senator Sagness** asked for numbers regarding education majors and the trend-line as it pertains to Math/Science education, of which **Provost Fernandez** said there were 478 Education majors. He did not have the exact number of Math/Science majors on hand, but will get that for the committee.

Senator Pearce expressed concern over the change in percentage received from appropriations. **Dr. Thomas** stated it was a result of a combination of factors: there has been an increase in the number of students, an increase in grants, and an increase in gifts. The school is not getting any less, but rather there have been budgetary shifts across the board, which leads to the appearance of a smaller amount of money received through appropriations.

S 1010: Because of technical problems with **S 1010**, the committee has chosen to postpone hearing the bill until a redraft can be acquired.

S 1012: This bill addresses significant short-comings in the current statute regarding for-profit institutions. It was presented to the committee by **Dr. Mike Rush**, Executive Director, Idaho State Board of Education. The law in place gives the SBE the right to set the conditions under which they will register. The SBE significantly strengthened those conditions under Docket No: 08-0111-0802, and the implementation of **S 1012** will with a different set of problems in terms of secondary, proprietary, non-degree-granting institutions.

Vice Chairman Mortimer wanted to ensure that although the SBE only receives bonding information annually, that students will still be covered in the event a school goes out of business before the next reporting date. **Harvey Lyter**, proprietary schools coordinator for the Idaho State Board of Education, stated that although the first draft did not include a provision to do so, schools are required to give 120 days notice to the SBE in the event they go out of business. As such, the SBE will know regardless of when this happens, although **Chairman Goedde** pointed out that in the event of non-payment on a surety bond this could be an issue.

Senator Pearce asked if a student was covered if an institution lacked a physical presence. **Dr. Rush** explained that degree-granting institutions which offer on-line courses are more than likely required to be bonded in their home state. Additionally, **Mr. Lyter** stated that something as small as a PO Box or recruiting agent in the state qualifies an institution to have a “physical presence.” In terms of proprietary schools however,

there is still a risk involved in proceeding with on-line classes if the school does not have a physical presence in Idaho.

Senator Sagness questioned if the consumer affairs division of the Attorney General's office could be involved if there is any kind of fraud suspected. **Dr. Rush** affirmed this, though he noted it is difficult for the state of Idaho to track these institutions down or provide any real punishment or control.

Senator Schroeder asked for a clarification of the existing language "sells degrees" and "sell degrees," which **Dr. Rush** stated was part of the definition of a post-secondary institution. The rest of the legislation defines under what conditions institutions are required to register. **Senator Schroeder** asked for assurance that there are no entities in Idaho to which a person can send money and receive a degree. **Dr. Rush** affirmed that there are no "degree mills" in the state of Idaho, to his knowledge, although he noted these institutions are not terribly public about what they are doing.

Senator Winder asked about the prospect of a bond available for tuition recovery, which **Dr. Rush** stated has been a concern throughout the process, and deferred to **Mr. Lyter** to address the rest of the question. **Mr. Lyter** stated that through extensive observation of the Utah example and local Idaho companies the SBE has ensured that such a bond is legitimately available.

Chairman Goedde expressed concern over putting the burden for the agents permit on the company that is issuing the permit, noting that a company already knowingly breaking the law probably won't be going about the permitting process in a legal manner either. **Dr. Rush** confirmed that this legislation will not fix all problems, but it is much stronger than the old legislation. Under previous legislation, there as no vetting or background check performed. Now, although the permit-issuing process is transferred to schools, they are required to submit results of background checks to the SBE, which is compiled into a list. The list is then spot-checked to ensure the verifications are correct.

MOTION: **Senator Sagness** moved to send **S 1012** to the floor with a **Do-Pass**. The motion was seconded by **Senator Pearce**. The motion passed by voice vote.

Senator John Goedde Chairman	Sara Pealy Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	January 27, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Fulcher, Winder, Sagness, and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Pearce
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes, in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:05 P.M.
PRESENTATION:	**Chairman Goedde** invited **John Martin**, Interim Vice President for Community Relations of North Idaho College (NIC), to address the committee on behalf of NIC, and provide an update about the institution (attachment 1). **Mr. Martin** addressed the population served by NIC, the number of students served (at over 17,000, this includes full-time, non-credit, English as a 2nd language, GED, Head Start, and Adult and Aging Services individuals), and types of services offered, particularly Distance Education, Professional-Technical programs and the Flexible Learning Center (FLC).

Mr. Martin acknowledged that although this is a tough fiscal year, for NIC to properly provide services as it grows and expands it is in need of some financial assistance. This includes budgeting for the renovation of Seiter Hall, which, at the cost of $4.5 million is far cheaper than new construction. The institution is also in the process of acquiring more land for future infrastructure development.

NIC has also adopted a zero-based budgeting process, as designed and implemented by Dr. Priscilla Bell, President of NIC. Each area of the college will start budgeting from the bottom up to ensure it accomplishes the mission of the college and is consistent with the institution's strategic plan.

Chairman Goedde thanked **Mr. Martin** and NIC for providing the services they do to North Idaho, noting that the GED program graduation is a testament to all the university accomplishes. He asked for some information about concurrent enrollment opportunities provided by NIC. **Mr. Martin** stated that concurrent enrollment (or, dual enrollment) was started in fall of 2006 with about 338 students. This fall it is has seen a

33% increase. The program has been expanded to include professional-technical studies in addition to the already-offered general studies courses, and will available at outreach centers as well as on the main campus. **Chairman Goedde** noted that although NIC has a new nursing building, the need has not been fulfilled. One of the problems being faced is that there is an issue getting practical, hands-on knowledge for students; he wanted to know if there had been any progress made in that department. **Mr. Martin** stated the program is filled to capacity, and the university is now looking at alternative scheduling options to make the program more efficient.

Vice Chairman Mortimer asked about the transferability of credits from NIC to a four-year university. **Mr. Martin** stated that this is going well, in part because NIC was established as a feeder school for the University of Idaho and Lewis-Clark State College. All credits transfer to UI and LCSC, and any Associate of Applied Science available at NIC can translate into a Bachelor of Applied Science at LCSC. Not all classes transfer directly, but all four-credit classes do.

Senator Sagness asked about the transferability of non-science courses, to which **Mr. Martin** replied that the University of Idaho, Lewis-Clark State College and North Idaho College are all working together to ensure that no classes are offered that do not transfer.

With no further questions for **Mr. Martin**, **Chairman Goedde** announced the next presentation would be from **Milford Terrell**, President of the State Board of Education.

PRESENTATION: **Mr. Terrell** addressed the State Board of Education's findings and recommendations for expanding medical education in Idaho (attachments 2, 3, & 4). These findings have indicated the need for in-state residency programs is critical. There is a shortage of physicians, and the programs in place for attracting and retaining physicians are inadequate. The committee has found that in increase in medical school seats is important, but the most benefit to the state would be in the form of an Idaho-based program.

Incentive programs applied close to the start of practice are viewed as most effective, and the selection of medical students would factor in their proclivity to practice in rural areas. The WWAMI program has been successful in Idaho, and there has been a relatively high percentage of WWAMI students who have returned to the state.

The Committee made a number of recommendations for the Board to consider, including (in order of priority): expanding the development of graduate medical education opportunities in the state of Idaho; adding ten seats per year for the next two years for Idaho WWAMI students as well as encouraging a full four-years of medical education through WWAMI in Idaho; and expanding the total number of medical seats for Idaho-sponsored students to between 60 and 90. Additionally, the Committee recommended the SBE oversee an initiative to engage all stakeholders to jointly develop a collaborative and comprehensive plan

for the establishment of a four-year, Idaho-based MD program. In addition to these four, the Committee made more, less pressing recommendations (attachment 2, slide 10).

Chairman Goedde stated that he is in full support of the recommendations of the committee.

Senator Sagness wanted a clarification on the expansion of seats in WWAMI and WICHE, and the establishment of Idaho's home in the program; he wanted to know what the time-line for establishing this looks like. **Mr. Terrell** stated that at this point there is no set time-line. At present the Board is projecting around 15 years, but there are scenarios that it could come faster depending on a multitude of factors, funding included.

Senator Sagness followed by asking if Idaho State University would still be the leader in the planning process, as was the answer he had gotten a year ago in response to the same question. At this time, the SBE has not appointed or voted for any individuals or institutions to be in charge of the project. Additionally, although each institution has a mission statement, they have not yet been factored into the decision. However, **Mr. Terrell** has requested the mission statements and strategic plans from each University.

Chairman Goedde noted that the University of Idaho is working with the WWAMI program to place a forth-year program in Idaho, which would fulfil the mission of a four-year medical program within the state.

Vice Chairman Mortimer requested a general overview of where medical education in the state of Idaho might be going in the next 12 to 24 months. Mr. Terrell stated that over the next 12 months, he would like to see the plan put together so as to answer the current questions. In the 12 months following that he would like to see the program implemented.

In response to questioning, **Dr. Suzanne Allen**, assistant dean for the Idaho WWAMI program, stated that the average cost of a resident seat is $125,000 depending on a number of factors, including the specialty field. The approximate cost of a WWAMI seat is about $45,000.

Senator Winder questioned the mood of the universities in regarding this collaborative effort. **Mr. Terrell** stated that the universities have been very receptive; although ISU had expected to take the lead on the project, when it was not granted President Arthur Valias indicated he and ISU would be happy to work with other universities.

Senator Andreason wanted **Mr. Terrell** to discuss improving the number of seats in the WWAMI program, noting that the chairman of the Joint Finance-Appropriations Committee had indicated to him that increasing the number of seats from 20 to 40 was not going to be possible even before the budgetary issues faced now. **Mr. Terrell** stated that the number one issue is increasing residency programs, with the number two issue getting more into the program. At this point funding is

holding these issues up.

Senator Schroeder wanted to know if funding additional medical education seats has been recommended by the State Board of Education. **Mr. Terrell** stated that no, there have not been any recommended increases in seats for lack of funding.

MOTION: **Vice Chairman Mortimer** moved to approve the minutes of the Committee meeting on January 13, 2009. The motion was seconded by **Senator Sagness**. It carried by voice vote.

MOTION: **Senator Andreason** moved to approve the minutes of the Committee meeting on January 14, 2009 and January 15, 2009. The motion was seconded by **Senator Fulcher**. It carried by voice vote.

Senator John Goedde Chairman	Sara Pealy Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	January 28, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Vice Chairman Mortimer, Senators Schroeder, Fulcher, Pearce, Winder, Sagness (Malepeai), Kelly
MEMBERS ABSENT/ EXCUSED:	Chairman Goedde and Senator Andreason
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes, in the Legislative Services Library.*
MINUTES:	With **Chairman Goedde** out, **Vice Chairman Mortimer** called the meeting to order at 3:20. He requested the secretary take a silent roll, and welcomed **Dr. David Schmitz**, of Family Medicine Residency of Idaho, and his second-year residents to the committee.
PRESENTATION:	**Vice Chairman Mortimer** welcomed **Dr. Arthur ("Art") Vailas**, President of Idaho State University, to present to the committee on the status and updates of ISU (attachment 1). He indicated that this was the same presentation as was given to the Joint Finance-Appropriations Committee on January 27. **Dr. Vailas** stated that ISU set record enrollment in the Fall of 2008, up 2.44% from the previous year, and specifically an increase in the Nuclear Engineering program of 24%. The University has been specifically concerned with driving economic development in the State of Idaho, through human capital and research ideas and innovation. He discussed ISU's state-wide mission in Health Professions Education, its degree programs, and the economic benefits to the state. **Dr. Vailas** also discussed the funding limitations faced by ISU Health Professions Education, specifically as relating to equity issues, and the fact that the University is receiving more qualified students than it can accept. Currently it is at 100% enrollment capacity, which forces Idaho students to seek medical education out-of-state. ISU is home to a great deal of energy research, including the Idaho Accelerator Center, the Center for Advanced Energy Studies, and the Energy Systems Training and Education Center (ESTEC). It holds a number of strategic energy partnerships in research and industry, as well as numerous medical partnerships, governmental partnerships and international partnerships.

In response to questioning by **Senator Sagness**, which was premised on Milford Terrell's presentation to the Senate Education Committee on January 27, **Dr. Vailas** stated that there may be many different time-line options which could be plausible for establishing a medical school within the State of Idaho. He noted that it is not whether institutions within the state are qualified to offer the degree, but whether the state is ready to offer the degree.

On behalf of **Chairman Goedde**, **Senator Fulcher** asked about the numbers listed in the budget book in terms of enrollment as compared to those presented to the JFAC and Senate Education Committees. The budget book lists a decrease since 2006, which **Dr. Vailas** explained only included full-time enrollment, versus the number supplied by the University, which included full-time enrollment, part-time enrollment and professional-technical students. **Senator Fulcher** was under the impression that the number included both full-time and part-time enrollment, and requested that if **Dr. Vailas** did not know the answer at present, he would have someone clarify that for the committee.

Senator Winder asked about the impact of the establishment of Brigham-Young University on the enrollment numbers for ISU, which **Dr. Vailas** said had an opposite effect of what was initially expected. Rather than negatively impacting ISU numbers, both the Universities had positively increased their enrollment.

Senator Winder asked for an explanation of ISU's Meridian facility, which **Dr. Vailas** indicated should be viewed as an investment in the Treasure Valley. It is primarily focused in health professions. In opening a four-year pharmacy, Physician's Assistant, and speech and pathology departments there, it has created a synergistic, faculty-sharing relationship between the Treasure Valley and Eastern Idaho. **Senator Winder** followed by asking about the economic impact of ISU and it's research programs on Idaho, which **Dr. Vailas** indicated would be very positive, through both private and public (federal) funds.

PRESENTATION: **Dr. Gerald Beck**, President of the College of Southern Idaho, presented its annual update to the Committee (attachment 2). He thanked the legislature for the support given for FY 2009, which included the change in employee compensation, help with preventative maintenance, monies from the liquor fund allocation and the change in the community college tuition cap.

Dr. Beck presented the mission statement of the University, and noted that CSI has provided course-work to almost 10% of the population in the counties it serves. Additionally, CSI has the second largest group of lower-division, higher-education academic students in the state, which is number that is likely to grow with the development of the College of Western Idaho. CSI also has the second largest population of Professional-Technical Students in the state. It provides dual credit enrollment for students in high-school, and has partnered (and continues to partner) with student businesses in the Magic Valley to promote

economic development in the area. In response to questioning by **Senator Schroeder**, **Dr. Beck** explained that there are no high-schools to his knowledge who discourage dual enrolment. However, because of some of the oversight involved with transferring Advanced Placement/International Baccalaureate credits into college credits, there are some teachers who have balked at allowing this to happen.

CSI also provides one of the cheapest educations a student can get in the state, and on top of this provided 780+ scholarships for students from approximately 200 endowments. Additionally, the unemployment rate in the Magic Valley was at less than 2% in 2008; although it is now at just over 5%, 4% unemployment is considered fully employed by census standards, and Dr. Beck feels this is a testament to CSI's presence in the Magic Valley.

Because of the economic concerns of the state, CSI has withdrawn two of its three budgetary requests for FY 2010. However, it is still requesting money from the legislature for the funding of 3.4 full-time equivalent nursing faculty salaries and benefits, which would maintain current faculty.

Senator Schroeder asked if the proposed 10% increase in class sizes from FY 2009 to FY 2010 will effect the quality of education provided? If it will, he questioned why the CSI is proceeding with it; if it won't why CSI did not do this sooner. **Dr. Beck** stated that CSI would not proceed with anything that did not offer the same quality of education, but he acknowledged that people would have to work harder.

PRESENTATION: **Vice Chairman Mortimer** welcomed **Dr. Steven Daly-Laursen**, Interim President of the University of Idaho. **Dr. Daly-Laursen** stated that the committee had in front of them a copy of his presentation to JFAC, and that he would be explaining the University's strategic plan.

In the JFAC presentation, **Dr. Daly-Laursen** detailed the university's budget requests, conditions and what the University and Legislature can do to partner together in this difficult budget year. The University has been reallocating millions internally away from pet-projects to where the money is most needed. Last year the University of Idaho reallocated $6.2 million on its own within the institution. Because the presentation had been made available to the committee, **Dr. Daly-Laursen** stated he would be spending the majority of the time explaining what strategies the University has, what strategies are being implemented, and how they are being implemented.

The implementation process is a four-step process: first, to transform every student, to put them in situations that cause their perspective to be compared to other students. Second, the University is encouraging interdisciplinary research, because this is where the money, leverage and complex problems are. Third, figuring out what the needs of the community are,
how to work with a community as a partner rather than a recipient of

knowledge and research.

The final approach to this implementation process is turning sustainability in fiscal terms into a reality; making a sustainable workplace. By separating financial management and control into two separate functions as welt as creating reserves, the University of Idaho can continue to have the resources to make investments in where it wants/needs to go regardless of the fiscal conditions of the state.

Dr. Daly-Laursen provided some statistics for the University of Idaho's return on investment in quality and enrollment. Headcount saw an increase of 1.3%, with a record incoming freshman class; there has been a 24% increase in graduate student enrollment; 567 students from families. where they are the first student in their family to go to college. The average high-school GPA of incoming freshmen is 3.39; 40 were first in high-school class and 62 had a 4.0, The State of Idaho has had 130 National Merit Scholars; in last 9 years 82% have chosen the University of Idaho, and 26 of this years 35 National Merit Scholars have chosen UI. Another indicator looked at is student retention rate: the national average is 74%, whereas that of the University of Idaho is 79%. 53% of all students who entered university in 2001 have received their bachelor's degree.

Finally, **Dr. Daly-Laursen** spoke to budgetary issues and what the university was doing to best address the problem it is facing. He stated there are four areas where it is looking: first, to program prioritization. Most universities are starting by eliminating courses, but the University of Idaho has opted to eliminate programs first, 41 in all. Second, combining the deconstruction and disinvestment process with a construction-invention integration process by asking for ideas of reorganization throughout the university from the staff and teaching professionals. The university has received 74 very unique proposals, and will be considering them all as part of the reorganization effort. Third: a reorganization of state and federal relations to ensure they can assist each other. Finally, the university is building infrastructure so that advancement can increase private funding to the point that it becomes a part of the base budgeting.

Dr. Daly-Laursen addressed the power-point handout, and closed by stating that there are things the Legislature could provide that the University could use. The university is modeling; it has just purchased the state of the art modeling for balancing in-state and out-of-state students, and has discovered that by closing the tuition gap just a little between the two, a greater number of students could be attracted to the university. The University asks that the legislature support it in this exploration. Second, the university asks for support in implementation in it's plan. The institution has attempted in the past to close two portions of its academic curriculum, but has been un-done by external groups who have asked others to put pressure on the University. Third, understand that the university is becoming public and private in its support, that it is building an infrastructure to raise privately. Fourth, involve the University in envisioning the state's future; put them in some way, shape or form into the thinking process in task forces and interim committees. Fifth,

know that the university is working closely with the students on their fees. The University is exempt from charging tuition, and is restricted in how it uses its fees.

Senator Winder asked if the University Foundation had been able to financially recover from their previous financial setbacks on the board project

Senator Sagness ask about extra-mural funding, specifically grants and contracts; how much time is the faculty spending engaging in this versus 5 years ago, and if it's more, is that a problem? **Dr. Daly-Laursen** stated that over the last four the University has been somewhere between $90 and $110 million in extramural grants and contracts; this is what Carnegie defines as a "high research institution," and is one of four in the North-Western United States. Thus, research is a big part of the universities mission.

The University does not see grants and contracts becoming part of the base; however, the University does need the faculty to be very productive in raising those funds to cover cost of staff and support. Even with the best grants in the world only about 80% of the cost is covered; the rest is covered by the University. The university is thus telling the faculty to spend more time researching in teams rather than individually.

Senator Schroeder wanted to know if the University anticipated being able to reduce the amount of time it takes a student, on average, to graduate through it's strategic movement? **Dr. Daly-Laursen** stated that while the university does not want students to spend any more time than necessary, It does want them to have more than just university experiences. Most students average 4.5 or 5 years to finish. Senator Schroeder stated that there have been anecdotal stories about students who can not get into a class and have to spend more time than anticipated. He also wanted to know about students who are caught in the midst of the program cuts. **Dr. Daly-Laursen** explained that students have been consulted in these cuts, and there will be a phase out of the programs as juniors and seniors graduate.

With no additional questions for **Dr. Daly-Laursen** or matters of business to bring to the attention of the committee, **Vice Chairman Mortimer** adjourned the meeting at 4:55 P.M.

Senator John Goedde Chairman	Sara Pealy Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	January 29, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Vice Chairman Mortimer, Senators Schroeder, Andreason, Fulcher, Winder, Sagness, and Kelly
MEMBERS ABSENT/ EXCUSED:	Chairman Goedde, Senator Pearce
NOTE:	The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

MINUTES: **Vice Chairman Mortimer** called the meeting to order at 3:07 p.m. in the absence of **Chairman Goedde**, who was attending a national educational summit. **Vice Chairman Mortimer** reviewed contents of committee folders and asked the secretary to take a silent roll.

PRESENTATION: **Mark Browning**, Chief Communications and Legislative Affairs Officer, State Board of Education, spoke to the committee regarding the process of selecting a new president for the University of Idaho. He stated that the Board of Education had received numerous comments urging the consideration of Interim President, Steven Daley-Laursen, in that process. He wanted to clarify the position of the Board on this matter, and stated that all applicants for the position of Interim President were advised that the individual selected would not be considered for the position of President. The reasoning for this stipulation was that it was the intent of the Board that the Interim President spend 100% of his or her efforts running the University. He indicated that all applicants agreed to that condition during the interview process. Advice of professionals consulted during the Boards search indicates that experience shows that the quality of applicants for a position such as president is enhanced if they know they are not competing against an interim candidate. **Mr. Browning** stated that President Daley-Laursen has done a phenomenal job and the Board recognizes that.

PRESENTATION: **Louis Peconi**, CEO and Co-founder of Apangea Learning, Inc., reviewed the Apangea approach to learning. (See Attachment #1.) Apangea is an online service offering tutoring for Math and Writing for grades 4-12. **Mr. Peconi** stated that Apangea Learning provides personalized, one-to-one tutoring that goes way beyond homework help. The idea behind Apangea is combining artificial intelligence tutoring systems with certified teachers online. He stated by doing that students can have a tutoring experience that is every bit as

good as other individual tutoring programs, but you can do it for a fraction of the price. He advised that Apangea's proven approach to learning, coupled with a cutting edge motivation system, means that students not only learn, they want to learn. Apangea's research is concentrated in the area of how students acquire cognitive thinking skills that will help them learn to approach a math problem in a very logical way. Apangea's goal is to develop students with academic self esteem. Students are given the opportunity to acquire points for doing mathematics, which they can trade for prizes. **Mr. Peconi** complimented the character of Idaho students, stating 81.5% of Idaho student redemptions are for charity donations.

Mr. Peconi introduced **Glen Zollman,** Director of Idaho Operations for Apangea Learning, Inc., who reviewed how Idaho Students are using the Apangea Learning program under the Math Initiative. He stated that Idaho students, teachers and parents are choosing to participate in this program in high numbers. Students are doing an incredible amount of work at home in addition to school time. During the holiday break 1,000 students logged on to Apangea to solve 8,000 problems. As a math teacher at Borah High, **Mr. Zollman** stated that this program, with its customized learning pathways, course work, and live tutor help allows him to motivate a class of students with immensely diverse needs. He stated there are 23,000 Idaho students enrolled in the program with 11,222 active students. The program is adding Idaho students at the rate of 100 new students every day across the State. **Mr. Zollman** stated he travels throughout the State providing training and continually hears that the kids love it and the parents love the fact that their child has access at home. He referred to the graphics provided by **Mr. Peconi** in Attachment #1 and advised the committee that the time spent by Idaho students doing math problems through Apangea from home this school year is the equivalent of 17,864 math classes and that usage has grown by 515% since October 2008.

Mr. Peconi advised the committee that although this program is in its early phases in Idaho, the results have been very positive. He then took questions of the committee.

Senator Schroeder asked about funding for the program? **Mr. Peconi** responded that funding is coming through the Math Initiative. **Senator Schroeder** asked if the teachers who are teaching Idaho students are certified teachers according to Idaho law? **Mr. Peconi** advised that they are all certified teachers and that there is a reciprocal agreement between states so that they meet the same standards, but they are not all located in Idaho. **Senator Schroeder** asked if any tutors reside in foreign countries? **Mr. Peconi** responded there are not.

Vice Chairman Mortimer inquired whether committee members could log in to evaluate the program? **Mr. Peconi** advised a login number and password is required, but that could be arranged. **Vice**

Chairman Mortimer asked how Apangea dealt with the problem of students without computer access? **Mr. Peconi** advised that a lot of schools in districts where students have less computer access at home will run programs after school and open up extra labs for students to use the program. **Vice Chairman Mortimer** asked how Apangea determined the experience of the students using the program, i.e., how many just love math versus how many are using it as a tutorial? **Mr. Peconi** advised that a pretest for users establishes a performance baseline. He stated that Apangea has not only created a site that is very "hip and cool," but it also engages students and builds self esteem with positive results.

Senator Sagness asked if Apangea had looked where funding for this project would come from if the Math Initiative funds were not available? **Mr. Peconi** stated he would have to defer an exact answer to that question to Superintendent Luna and his staff. He did state that if funding suddenly disappeared, Apangea would not prevent current students from using the system, but would limit any additional users.

Senator Schroeder commented that senators might be sensitive to some of the charities selected by Apangea to receive student's donated points.

Vice Chairman Mortimer thanked **Mr. Peconi** and **Mr. Zollman** for the presentation and requested that the committee secretary be provided with a login and password that could be used by any senator who wished to access the program on a trial basis. **Mr. Peconi** stated he would do that, and advised the Senators to review the weekly e-mail they would be receiving on the progress of this program.

PRESENTATION:

Dr. Bob Kustra, President, Boise State University (BSU), introduced members of his staff, including Former Speaker **Bruce Newcomb**, his intern **Kristi Perry**, and **Dustin Moyer**, an official with the Associated Students of Boise State University. **Dr. Kustra** outlined the challenges a public university faces in keeping faculty engaged and meeting advancement expectations, when dependent upon a state budget for funding. **Dr. Kustra** described the changes affecting BSU with the addition of the new community college, College of Western Idaho, and the focus BSU is giving to recruiting new students and student retention. **Dr. Kustra** reviewed plans for new student housing to meet student needs, and stated that it is an important mission of BSU to improve the undergraduate experience. He stated that the current budget situation will make it necessary to delay new graduate programs because of the inability to hire the necessary faculty. **Dr. Kustra** advised that BSU's research grants have increased, which he attributes to an aggressive, young, dynamic research faculty. However, BSU Foundation funds have experienced a significant decrease. Current funds will cover all 850 scholarships it supports with this endowment this year, and efforts to increase donor contributions for scholarships have become

aggressive. **Dr. Kustra** outlined the items BSU will find it necessary to cut to meet budget. He further stated that BSU will not request a tuition increase beyond the 10% allowed by the State Board of Education and will try to keep it significantly below that level. (See comments, Attachment #2.) **Dr. Kustra** then took questions from the committee.

Senator Schroeder asked what BSU is doing to recruit students from North Idaho College (NIC) and College of Southern Idaho (CSI)? **Dr. Kustra** responded that recruiting efforts have resulted in a significant increase in students from NIC over the course of the last three years. BSU has regular relationships with the community colleges in the State. BSU offers four degree programs at CSI and offers bachelor's and master's degrees in social work at Lewis-Clark State College. **Senator Schroeder** asked how student athletes meet class work requirements? **Dr. Kustra** advised every athletic program has an academic support center. That support center is a team of tutors and specialists who work with students. Assistant coaches in the football program are required to track a number of players to make sure they attend classes. BSU's football program has one of the highest academic performance ratings by the NCAA in the country and the highest in the Western Athletic Conference. The biggest problem is accommodating the travel schedule for the basketball program. Students do miss some classes but must make up work and take exams. **Senator Schroeder** asked if athletics students are allowed to take online courses in lieu of attending classes on campus? **Dr. Kustra** advised that the NCAA is currently trying to establish online class guidance. BSU athletic students can take online classes just like other students, but they are limited significantly in terms of how many they can take.

Senator Andreason asked how BSU will cope with the increase in students and decrease in budget? **Dr. Kustra** advised that he has recently addressed the faculty and staff about changes that would occur. One possibility is increasing class sizes. Sections are being combined, and small class sizes are being reexamined. BSU is also looking at the number of credits required for graduation. Currently 128 credits is required, but in comparing this with other prominent universities 120 credits seemed to be the norm. BSU will find ways to reorganize appropriately and find other ways of addressing learning opportunities in the classroom.

Vice Chairman Mortimer thanked **Dr. Kustra** for his presentation.

PRESENTATION: **Vice Chairman Mortimer** recognized **Representative Nonini**, Chairman of the House Education Committee, who introduced **Dr. Lorna Finman**, President of LCF Enterprises and Founder of North Idaho Discovery Association (NIDA). **Dr. Finman** stated that the mission and vision of NIDA is to broaden opportunities in science and technology for Idaho youth and to inspire youth to explore new pathways into science, math, and technology through the use of First Robotics and Carnegie Mellon University Robotics Academy.

The program started in North Idaho in 2007 with a team of 8 children and has expanded to 500 children today. NIDA is non-profit and 100% business funded. Resources are provided free to participating schools. **Dr. Finman** introduced **Karlicia Berry**, NIDA Robotics Coordinator, and **Sal Lorenzen**, Robotics Coach, who assisted her with presenting the program. (See program overview, Attachment #3.) **Ms. Berry** described the different levels of participation and competitions scheduled for the teams. She then presented a team of Post Falls fourth graders she coaches, "The Brainy Chickens." The team provided an entertaining program on how they researched a global energy problem and came up with a way to save their school district $120,000 annually in energy costs by turning computers off at night and weekends.

Senator Andreason asked why there were more Post Falls students are involved in the program than in Coeur d'Alene? **Ms. Berry** stated that the opportunity for equipment came to her as a teacher in the Post Falls School District from **Dr. Finman**. With that equipment she began a robotics club, and that was the beginning of the program. This year it was offered to all districts in Northern Idaho. She explained that some districts are not able to easily adjust their curriculum to accommodate this program. **Ms. Berry** stated that although she works with gifted and talented students, the goal of the program is to reach out to all types of students.

Senator Sagness asked if students come together for competition and networking with other students? **Dr. Finman** responded that there was a recent State tournament in Coeur d'Alene where Pocatello and Idaho Falls both had strong showings. So far NIDA has operated more on a club basis. They would like to align with Idaho Standards and push the program more into the school curriculum to provide opportunities for all children.

Vice Chairman Mortimer thanked **Dr. Finman** and **Ms. Berry** for their presentation and their work with Idaho students.

Approval of Minutes on the agenda was postponed until the next meeting.

ADJOURNMENT: **Vice Chairman Mortimer** adjourned the meeting at 4:55 p.m.

Senator John Goedde
Chairman

Sara Pealy
Secretary

Lois Bencken
Assistant Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	February 2, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Fulcher, Pearce, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Winder
NOTE:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:04 P.M., requested the secretary take a silent roll, and reviewed contents of committee folders.
PRESENTATION:	**Chairman Goedde** welcomed **Tom Luna**, Superintendent of Public Instruction, State Department of Education, to reviewed his Fiscal-Year 2010 (FY 2010) Budget (attachment 1,2). **Mr. Luna** stated he submitted his FY 2010 Budget for the Department of Education (SDE) and Public Schools on September 1, prior to the current economic downturn. Shortly thereafter the Governor issued a 4% hold back for the school year, and while the SDE budget was impacted by these hold backs, Public Schools were held harmless. As such, the schools don't have to cut budgets during the school year. **Mr. Luna** discussed the work of the Teacher Performance Evaluation Task Force (Task Force) charged with developing statewide standards for teacher performance evaluation. The Task Force has finalized its recommendations and has proposed a statewide framework for teacher performance evaluations. He advised that through a constant, fair and reliable evaluation system Idaho's teachers can collaborate with other teachers and school administrators to improve what they do in the classroom every day. **Senator Pearce** inquired if **Mr. Luna's** intention to change the use-it-or-lose-it code was temporary. **Mr. Luna** indicated most recommendations would require legislation and that is still being worked on. His focus right now is on finding savings for the next school year. **Senator Schroeder** asked if these changes would be made through JFAC, to which **Mr. Luna** advised it was his impression from current

information that most issues will be addressed through committees. **Chairman Goedde** concurred with that analysis.

Senator Sagness asked if a reduction in force had been considered by the Department? **Mr. Luna** stated that would be a last option if agreements are not reached. **Senator Sagness** further commented that most of the recommended reductions are related to employees under contract. If those end up in court, who will pay the court cost? **Mr. Luna** responded there had been numerous discussions on the flexibility needed at the district level in order to avoid that. Most districts operate on an annual contract basis. Five Districts have multi-year contracts which can be opened up for discussion.

Senator Andreason asked the superintendent to clarify how the state would be saving money by eliminating early retirement. **Mr. Luna** stated that the savings in part is driven by the fact that the index multiplier is also capped at the 2009 level. He offered to provide further information to the committee on this item.

Mr. Luna advised that together the reductions suggested will reduce the Public Schools Budget by $62 million. He further recommends tapping into the Stabilization Fund for an additional $17 million, which would reduce the Stabilization Fund to approximately 3% of the appropriation. This $62 million in cuts to the Public Schools Budget and the $17 million transfer from the Stabilization Fund add up to $79 million.

Chairman Goedde asked if **Mr. Luna's** recommendation to freeze experience movement on the grid for one year would freeze the years of service part of the matrix, but not the education part? **Mr. Luna** stated that is the intent. **Chairman Goedde** asked what reduction amount had been asked for by the Governor. **Mr. Luna** responded the base reduction requested was $80 million. **Chairman Goedde** asked if **Mr. Luna** is aware of further budget cuts that may be necessary based on numbers that have come from the Economic Outlook Committee? **Mr. Luna** responded that he has heard further cuts may be necessary. He stated that the recommendations he has made today are all "bad ideas" and he has yet to come up with a list of "terrible ideas."

Senator Pearce stated that he had heard some preliminary numbers for January and asked if **Mr. Luna** had those numbers? **Mr. Luna** responded that he did not have preliminary numbers for January, and that the Budget presented is based on information available last week. He further stated that we are at a point where the risk of further cuts may outweigh the benefit of the necessity for cutting.

Senator Sagness asked **Mr. Luna** to further explain his recommendation regarding use of State lottery funds. **Mr. Luna** deferred the question to **Jason Hancock**, Deputy Chief of Staff, State Department of Education, who advised that this

recommendation proposes that the facility funds the State sends out to districts would reduce the amount of discretionary funds given to schools; lottery money would essentially replace lost discretionary funds.

Senator Sagness indicated he had read that the Department is considering lifting the cap on charter schools and asked if it is wise to put that further drain on Public Schools at this time? **Mr. Luna** advised Idaho law currently caps the number of charter schools to six per year. That has been adequate in years past; however, this year we have six charter schools ready to open for the next school year, 12 more that are in the final stages, and about 40 more in other various stages. There is a huge demand for choice in education. **Mr. Luna** did point out there is a financial burden from having a student leave the traditional public school setting for a charter school, as both the charter school and the public school receive funding for the first year that the student is out of the public school. This decision has been made because it allows the school the ability to plan for one year how to absorb that monetary loss that goes with losing a student.

Chairman Goedde thanked **Mr. Luna** for his presentation.

PRESENTATION:

Marybeth Flachbart, Deputy Superintendent, Division of Student Achievement and School Accountability, State Department of Education, presented information to the committee related to Department funds expended for students identified as severely emotionally disturbed (attachment 3).

Senator Kelly asked how a charter school helps with special education needs. **Ms. Flachbart** responded that the law requires that the student be placed in the least restrictive environment possible and this may be best accomplished in a single purpose school. **Senator Kelly** asked if traditional charter schools take special education students? **Ms. Flachbart** responded that the charter schools, being public schools, are required to serve all students and we work with them. However, parents of special needs children generally want to place them where a program is clearly established.

Chairman Goedde thanked **Ms. Flachbart** for her presentation.

RS 18443

Senator Corder presented **RS 18443** for the committee. This bill has been drafted at the request of Boise County. The bill will amend and clarify the process to dissolve a library taxing district. **Senator Corder** stated that in the event the County Commissioners decide that a petition is not going to go to vote, the bill provides an interval of at least two years before another petition could be filed requesting dissolution.

Senator Fulcher asked if consideration had been given as to how this bill would affect other Idaho counties? **Senator Corder**

responded that it would apply to all counties. **Chairman Goedde** asked if the Association of Counties is aware of the proposed legislation? **Senator Corder** advised that the Association of Library Districts was involved in drafting the legislation. **Senator Kelly** inquired if the bill belongs in the Education Committee? **Chairman Goedde** advised that libraries are a part of the State Board of Education; however, it could be later referred to another committee.

MOTION: **Senator Fulcher** moved to send **RS 18443** to print. **Senator Andreason** seconded the motion. The motion passed by **voice vote**.

S 1018 **Dr. Mike Rush**, Executive Director, State Board of Education, reviewed **S 1018** relating to Prisoner Education for the committee. This legislation will designate the State Board for Professional Technical Education, in cooperation with the State Board of Corrections as the responsible entities in the education of prisoners who are under the jurisdiction of the department of corrections. **Dr. Rush** pointed out that the Department of Corrections does work with the Department of Education on Special Education and does offer a few high school diplomas, and that relationship will not change.

Chairman Goedde asked for clarification that GED is part of Professional Technical Education. **Dr. Rush** advised that is correct.

Senator Fulcher inquired regarding the statement that there is no fiscal impact with this legislation. **Dr. Rush** responded that the work is already being done by Professional Technical Education.

MOTION: **Senator Pearce** moved that the committee send **S 1018** to the floor with a do pass recommendation. The motion was seconded by **Senator Fulcher** and passed by **voice vote**. **Senator Pearce** will carry the Bill on the Floor.

S 1019 **Dr. Rush** reviewed **S 1019** relating to Idaho Educational Technology Initiative for the committee. This legislation would repeal the section of the statute that established the Idaho Council for Technology in Learning (ICTL) and allow for those functions currently administered by the ICTL to be carried out through existing administrative structures. The second part of the legislation repeals the section dealing with the establishment of the State's Council for Technology.

Dr. Rush stated that the creation of this Council in 1994 jump started Idaho's integration of technology and created technology teacher training programs. At the time it was a necessity, but with the advent of new technology and training with the installation and implementation of new programs, it has become outdated.

MOTION: **Senator Sagness** moved that the committee send **S 1019** to the floor with a do pass recommendation. The motion was seconded by **Senator Mortimer** and passed by **voice vote**. **Senator Mortimor** will carry the Bill on the Floor.

APPROVAL OF MINUTES:

Senator Fulcher stated that he had reviewed the minutes of the January 19 and January 20 meetings and moved that those minutes be approved. The motion was seconded by **Senator Andreason** and passed by **voice vote.**

Chairman Goedde stated he would be providing further information to the committee regarding the federal stimulus package as that information is available.

The meeting was adjourned at 4:37 p.m.

Senator John Goedde
Chairman

Sara Pealy
Secretary

Lois Bencken
Assistant Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE: February 3, 2009

TIME: 3:00 p.m.

PLACE: Room 204

MEMBERS PRESENT: Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Fulcher, Pearce, Winder, Sagness (Malepeai), Kelly

MEMBERS ABSENT/ EXCUSED:

GUESTS: *The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:05 P.M. and requested the secretary take a silent roll. He stated there was some information in folders for the senators: first, information on the stimulus package as of the 29th of January; second, a diagram created by Lewis-Clark State College regarding the savings (an estimated $45,000) involved in college education when dual-credit and community college attendance are factored in as compared to a traditional four-year education.

Chairman Goedde announced he would be reordering the agenda and that **Dr. Donna Hutchison** with the Idaho Digital Learning Academy would be presenting first (attachment 1).

PRESENTATION: After giving background on the IDLA, **Dr. Hutchison** introduced **Benjamin Merrill**, former principal at Salmon River Junior-Senior High and current principal at Notus Junior-Senior High, along with **Nicole Hardy** and **Celeste Banda**, two students present to testify to quality of education received through IDLA.

Senator Schroeder questioned if schools can still charge the state full Average Daily Attendance (ADA) for IDLA students. **Dr. Hutchison** indicated yes, this was possible, although it was not something the IDLA had any jurisdiction over. **Senator Schroeder** noted that if a student is enrolled half time in classes that are offered on-campus and half time in classes offered through the IDLA, schools are being allowed to receive money for something (full-time student attendance) which they shouldn't otherwise.

Senator Sagness asked if students enrolled in laboratory science courses could use facilities when necessary to complete their course work. **Mr. Merrill** stated that at Salmon River Junior-Senior High,

students are allowed to use the facilities under the supervision of qualified, though not necessarily accredited, teachers.

Dr. Hutchison also noted that the IDLA uses the Idaho Live program, which is akin to a virtual classroom. This is the same program that the SDE/SBE uses for their live webinars; in fact these webinars are supported through the IDLA. The cost saved to the state has been tremendous, including $40,600 saved in mileage reimbursement, etc.

Chairman Goedde also wanted confirmation that the IDLA is offering supplemental courses rather than high school degrees, which **Dr. Hutchison** affirmed.

PRESENTATION: **Chairman Goedde** welcomed **Nick Smith**, Deputy Superintendent of School Support Services Education, to speak about the Rural Education Task Force (attachment 2), after which Mr. Smith fielded questions from the committee.

Senator Schroeder asked if **Mr. Smith** would recommend a four-day school week to districts. **Mr. Smith** stated that he personally would not recommend a four-day week to any district, as that is a decision which needs to be made at the local level with community members (parents, teachers, businesses, etc) involved. In responding to further questioning, **Mr. Smith** stated that he didn't believe the shift to a four-day week was accompanied by a desire to have three-day weekends, but that most districts have not realized the initial savings projected.

Senator Winder questioned what the apparent impact has been on student performance. **Mr. Smith** stated that younger children (grades K-3) have seen a decrease or plateau in performance, while there has been no apparent negative impact on performance in higher grades.

Senator Sagness asked about the issue of service cooperation and consolidation on the part of the districts, to which Mr. Smith replied that Rural Education Task Force has decided to wait until the Office of Performance Evaluation report on service consolidation came out, and then proceed based on their recommendations.

S1017: **Chairman Goedde** welcomed **Senator Fulcher** to discuss **S1017**. **Senator Fulcher** gave a general overview on the history of the bill, including the joint work by the Governor's Task Force for Children at Risk, and the Idaho Coalition of Home Educators.

S1017, defines educational neglect as situations not consistent with a section of code. In the legislation, §16-1602(25), neglected means a child "who is without proper education because of failure to comply with sections §33-202." Tying this definition to a piece of code now gives DHW the ability to follow up on referrals.

One of the reasons this bill was so well received by home educators was that they were simultaneously working on a way to better establish their right to home school after the California appeals court initially found that

a parent could not home educate without a teaching certificate.

From the home educator's standpoint the solution was to insert clarification into §33-202 and to clarify a parent's right to teach at home by adding "privately instructed at home by his parent or guardian." **Senator Fulcher** also noted that in that same section, there was the addition of "public charter, including an on-line or virtual charter" because at the time of the original writing of the statute, virtual and charter schools did not exist.

Senator Sagness asked about the fact that the state would be recognizing home schooling as a legitimate form of education while simultaneously allowing this population to refrain from registering and testing their children, which doesn't seem to be unduly intrusive.

Senator Fulcher first stated that this particular bill does not address standards of assessment, but rather has to do with a philosophy. In his opinion, at the end of the day the legislature should not have undue authority over the people who are trying to do the right thing through home education.

Chairman Goedde welcomed **Kirtlan Naylor**, Chairman of the Governor's Task Force for Children at Risk, to the committee. Rather than creating a whole new code system or embellishing the definition of educational neglect, the task force approached the process by tying it to the compulsory education statute. This creates no fiscal impact, but will help DHW and law enforcement in investigating such situations.

Chairman Goedde wanted to clarify that **Mr. Naylor** and **Senator Kelly** had come to a conclusion on the appropriateness of some language within the legislation. **Mr. Naylor** indicated that in the first paragraph of the section, it states that the "parent or guardian shall cause the child to be instructed in subjects commonly and usually taught in public schools;" thereafter it refers to "otherwise comparably instructed." The discussion had come over the definition of "comparably instructed."

Senator Kelly asked **Mr. Naylor** if it was his understanding that "otherwise comparably instructed" is intended to refer back to the first sentence of the section, which is referring to the whole phrase "instructed in subjects commonly and usually taught in public schools"?

Mr. Naylor responded "yes", that was his understanding and how it had been discussed in the task force, because the requirement upon parents is that the child shall be instructed on subjects commonly taught in schools. Such is the standard, and education can be provided outside of the public school so long as it is comparable.

Senator Kelly stated that there is a constitutional provision addressing compulsory education. This provision presumes that any otherwise accepted education will be comparable to that offered in the public schools. As a result, and based on her discussion with **Mr. Naylor,** she still thinks the language in the bill is extremely awkwardly worded but that

the intent is there, if not clear.

Senator Schroeder asked if the state still lacked the authority to test or monitor students to see if they're being comparably instructed? In a case of suspected educational neglect, a DHW worker can ask a child what they have been learning. If the child does not know or cannot answer then DHW can move further. Still, as pointed out by **Senator Schroeder**, absent a reported reason for DHW to knock, the state does not know whether people are educating their children.

Chairman Goedde welcomed **Barry Peters** of the ICHE to the committee. He asked if **Mr. Peters** saw possible trouble from the home-school community regarding the expansion of this statute in conjunction with the truancy statute. **Mr. Peters** sees this statute as a tightening of clarification of the statute, and that there would be a mutual recognition between the schools and the home-school association regarding the truant statute.

Senator Kelly expressed concern about the apparent modification of the habitual truant statute with regards to schools and school districts. **Dr. Wayne Davis** with the Idaho Association of School Administrators stated that this is something his association has not completely reviewed.

Senator Kelly asked if **Mr. Naylor** felt this would make it easier to enforce the habitual truant statute, which **Mr. Naylor** confirmed. Additionally, he felt it would make it easier to utilize this statute.

MOTION: **Senator Pearce** moved to send **S1017** to the floor with a **Do-Pass** recommendation. The motion was seconded by **Vice Chairman Mortimer**. **Senator Sagness** requested a roll-call vote, which passed with 8 votes and one absent, as **Senator Andreason** had previously excused himself. **Senator Sagness** requested a moment to explain his vote, noting that although he was voting for the legislation because he felt that it would improve a situation that needs to be addressed, he felt a responsibility to ensure students receive a thorough, basic education, and without going into the home. As such, it was his perception that registration and testing are not unduly intrusive in that manner. **Senator Schroeder** noted that it was his desire to have a mechanism to ensure children are being educated in the home, and that this may be a step towards that. With that, **Chairman Goedde** requested **Senator Fulcher** carry the bill on the floor.

With no further questions or comments, **Senator Goedde** adjourned the meeting at 5:20 P.M.

Senator John Goedde Chairman	Sara Pealy Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	February 4, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Fulcher, Pearce, Winder, Sagness, and Kelly
MEMBERS ABSENT/ EXCUSED:	
NOTE:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:07 p.m. and requested the Secretary take a silent roll.
GUBERNATORIAL APPOINTMENT:	**Kenneth Edmunds** of Twin Falls, Idaho, was appointed to the State Board of Education (SBE) to serve a term commencing May 30, 2008 and expiring March 1, 2013. **Mr. Edmunds** provided the committee with a brief biography of his career in accounting and real estate. He stated that he felt this appointment would be a great opportunity and that he looked forward to serving the people of Idaho. He took questions from the committee related to: how he views the role of the SBE in education; what education issues and needs he feels the State currently has; whether he can commit the necessary time required of this appointment; how he views the States medical and legal education needs; his opinion on the role of the SBE in assessing student academic achievement; whether it is time to revisit mission statements of Idaho's institutions of higher learning; and with his financial background, he identified ways the State might be more efficient in using its education funds. Committee members complimented **Mr. Edmunds** on the contribution he has made to the SBE to date. **Chairman Goedde** thanked **Mr. Edmunds** for appearing before the committee and announced a motion to confirm his appointment will be addressed at a subsequent meeting. **Chairman Goedde** excused himself to attend a meeting with the Joint Chairs of the Finance Committee and turned the gavel over to **Vice Chairman Mortimer**.
PRESENTATION:	**Vice Chairman Mortimer** introduced **Ann Stephens**, Administrator, Division of Professional-Technical Education, State Board of Education. **Ms. Stephens** reviewed the legal authority for the

Division of Professional-Technical Education (PTE) and her administrative background. She also gave a general overview of the PTE program, and noted its mission is to provide Idaho's youth and adults with technical skills, knowledge and attitudes necessary for successful performance in a highly effective workplace.

Upon commencement of **Ms. Stephens'** presentation, **Senator Sagness** asked if the hold back is impacting access or quality for PTE? **Ms. Stephens** responded that in the short term PTE can handle the hold back without impacting students; however, in the long term, if money is not available to provide necessary services, access will be impacted.

Senator Winder asked **Ms. Stephens** what criteria must be met for the federal Carl Perkins Grant and what those funds could be used for? **Ms. Stephens** advised that vocational education started with federal funding and Idaho has continually had federal funds. The Carl Perkins legislation requires a 100% maintenance of effort. The federal funds can be used to supplement state funds. She stated that currently about 55% goes to secondary schools and 35% to post secondary schools to purchase equipment, and professional development for teachers and to help programs meet industry standards.

Vice Chairman Mortimer thanked **Ms. Stephens** for her presentation.

PRESENTATION: **Vice Chairman Mortimer** welcomed **Burton Waite**, President, Eastern Idaho Technical College (EITC), to review the schools facilities and programs (attachment 3).
Mr. Waite advised his campus campaign to save energy not only saved EITC money, but garnered an award from the City of Idaho Falls for the business with the greatest reduction in electrical usage.

Mr. Waite reported that the budget hold back will make it necessary to reduce planned capital outlay, delay hires, limit travel, and encourage distance delivery and video conferencing for meetings. EITC will attempt to minimize the impact on student programs.

Senator Pearce asked what it costs to attend EITC? **Mr. Waite** responded that the semester cost is $83 per credit for 10 credits or less. The cost is capped at $830 for over 10 credits. **Senator Pearce** asked what percentage of students have scholarships? **Mr. Waite** advised that the Foundation provides 100-125 scholarships each year. He further stated that many students are eligible for financial aid and grants.

Senator Sagness asked what impact funding will have on access and quality? **Mr. Waite** indicated that EITC would be able to maintain for a short term, but if financing is impacted long term, may not be able to grow. He stated it is his intention to implement zero based budgeting now rather than wait until it is required by the

Governor, and without having looked at the results of zero based budgeting he did not feel he could give an adequate response at this time. He did state that he felt there were available resources that can be redirected and used to maintain quality and access.

Vice Chairman Mortimer thanked **Mr. Waite** for his presentation.

PRESENTATION:

Matt McCarter, Safe and Drug-Free Schools Coordinator, Division of School Support Services, State Department of Education, reviewed the safety and security issues Idaho schools are facing (attachment 4.) He stated that there are so many demands on administrators and principals in this area that they can quickly get overwhelmed. The Safe and Secure Schools Initiative was funded in 2007 through a one time appropriation of $150,000. This implemented an assessment with the intent to ascertain safety and security gaps and weaknesses throughout Idaho schools. The goal was to widen the tool kit to provide schools all the tools they need to protect schools from threats of violence and emergency and prepare schools to respond to crisis if it occurs.

With the current year budget of $100,000 the plan is to roll out these deliverables and provide training in every region of the State. To date 165 training sessions have been held throughout the State and 7 site visits involving threat assessments have been made. Although federal money in this area has decreased, **Mr. McCarter** advised that he would continue to monitor federal funds availability for Idaho.

Mr. McCarter reviewed the Emergency Operations Planning Guide Structure and Vulnerability Assessment Process, stating this process was user friendly and aimed at getting educators to think about the most probable issue and plan for that.

Mr. McCarter advised that a School Safety Summit will be held in Boise on April 23, 2009, with a national expert on school violence scheduled to speak. He is keenly aware of State Department Budget concerns; however, given the intense interest from the field, would like to continue work is this area through use of Safe and Drug Free Schools Discretionary Dollars. He stated by code they are compelled to flow out 94% of those dollars to Idaho School Districts based on average daily attendance, with 4% discretionary and 2% for administration. With the 4% he can conduct trainings throughout the State, provide on-site threat assessments and security reviews, conduct table top exercises, and address other security related issues. He stated he is overwhelmed by the sheer mass of early adopters with this program.

Vice Chairman Mortimer asked if **Mr. McCarter** had worked with higher education and, if so, what kind of response had been received? **Mr. McCarter** responded that limited conversation had taken place regarding emergency mass notification through texting at a very favorable rate by an individual in Idaho Falls. He advised

that a number of districts as well as higher education institutions have shown an interest.

Senator Winder asked how detailed training will be for staff related to instructing students in an emergency? **Mr. McCarther** responded that training goes through a number of different senarios, and that response to a given situation may differ depending on logistics.

Vice Chairman Mortimer asked what had been done to make sure all school districts are aware of this service? **Mr. McCarter** responded that there are robust communication mechanisms at the State Department of Education as far as training opportunities. There is direct communication with superintendents and principals throughout the State in addition to Safe and Drug Free Schools Coordinators.

Vice Chairman Mortimer thanked **Mr. McCarter** for his presentation and adjourned the meeting at 4:50 p.m.

Senator John Goedde
Chairman

Sara Pealy
Secretary

Lois Bencken
Assistant Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	February 5, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Fulcher, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	Senators Andreason and Pearce
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:10 P.M. and asked the secretary to take a silent roll. Because of a time conflict, **Dr. Mike Rush** with the State Board of Education presented RS 18319C1 first.
RS 18319C1:	**Dr. Rush** explained **RS 18319C1** would replace the current School for the Deaf and Blind with the newly created Idaho Bureau of Educational Services for the Deaf and the Blind, and would create a Board of Directors to govern the Bureau activities. In response to a question by **Senator Fulcher**, **Dr. Rush** explained that although the statement of purpose states no fiscal impact there may be minimal. However, within the existing structure of the school the new Bureau should be able to operate on a similar budget. **Senator Schroeder** asked what the SBE is repealing, and whether or not the SBE is trying to shut down the current school. **Dr. Rush** stated the piece being repealed is the existing legislation defining the school for Deaf and Blind, most of which is in the new legislation. Also, this legislation is not targeted at closing the existing school, but is a governance issue. **Senator Goedde** requested confirmation that the Bureau would provide services to other schools in the state that have main-stream deaf and blind, which **Dr. Rush** affirmed.
MOTION:	**Vice Chairman Mortimer** moved to print **RS 18319C1**. The motion was seconded by **Senator Fulcher**. It carried by voice vote.
PRESENTATION:	**Chairman Goedde** invited **Rakesh Mohan**, Director of the Office of Performance Evaluation, to answer questions the committee may have regarding the OPE presentation from January 15, along with **Carrie**

Parrish, **Maureen Shea** and **Dr. Kathleen Sullivan** (the latter via speaker phone).

During the 2008 Legislative Session, JLOC directed OPE to study the effects of educational funding. There were two main objectives: how Idaho's funding compares to that of other states, and how to define and evaluate its adequacy issues from the stakeholders perspective. **Mr. Mohan** also noted OPE looked at both adequacy and equity because they felt it impossible to separate the two.

Ms. Parrish stated there were three primary conclusions of the report. Based on data collected from other states, there was no link between additional funding and more promising outcomes Idaho did not need to conduct an adequacy study; Idaho should continue moving forward in public education using a few different tools but specifically goal-setting, which allows more flexibility; and, Idaho should consider a review of its public education funding approach. It has been 15 years since there has been a significant and thorough review of the funding approach. Some specific places that are recommended to be reviewed include staff salaries and special education funding.

Additional information resulting from questioning informed the committee that OPE has not spent much time looking at charter school funding impacts on standard public institutions. Although OPE would not recommend it as a standard operating procedure, in the instances of small districts educational equity does justify funding inequity. Though some states have continued equity studies in the face of inconclusive evidence, a portion of these have faced legal challenges as a result because they have agreed to provide an adequate education, but can't. The top priorities seen by OPE for the public education system this legislative session should be goal-setting and follow-through.

Again, it was noted that it has been 15 years since the funding formula was last revisited, and although it was effective at the time it does need to be updated. Student goals, and outcomes need to be taken into account, and once a plan is established it needs to be flexible. Additionally, OPE would recommend letting no more than ten years pass between reviews of the funding formula.

With no further questions from the committee, **Chairman Goedde** thanked **Mr. Mohan** and his staff for their presentation.

PRESENTATION: **Chairman Goedde** welcomed Mr. Dennis Griffin, President of the College of Western Idaho (CWI), to present an update on the institution to the committee (attachment 1).

President Griffin gave an overview to the committee about the history of CWI, which opened its doors to students January 2009. Based on some extrapolating of numbers the institution has done, he presented to the committee some projected enrollment numbers up to the 2011/2012 school year, and submitted both the original and revised requests for FY 2010 funding. It should be noted that these do not include the proposed

7.1% decrease in state funding.

Senator Sagness inquired if the budget ends up affecting access versus quality of education, where would CSI make its cuts. **President Griffin** stated that access would be the first impacted as the institution is determined to keep its quality of education at a premium.

Having no further questions from the committee, **Chairman Goedde** thanked President Griffin for his presentation and welcomed **Paul Headlee** with the Legislative Services Office and **John Watts**, of Idaho Voices for Children, to follow up on any questions the committee may have about Early Childhood Education.

PRESENTATION: **Mr. Headlee** walked through a brief summary of his previous presentation for the committee (attachment 2), and provided a chart with the FY 2008 funding for each program. **Senator Schroeder** requested a break-down of the funding in terms of federal dollars versus state dollars for these programs and how the State Children's Insurance Program fit into the sum provided. **Mr. Headlee** stated that there is $14.43 million provided for early-childhood programs total (attachment 2, chart 1, lines 5 through 11). Of this $14.43 million, $8.6 million is state funding, while $5.74 million is federal funding. The State Children's Insurance Program was included simply because it took place in an educational setting.

With no further questions for **Mr. Headlee**, **Chairman Goedde** invited **John Watts** to speak to the committee on behalf of Idaho Voices for Children.

Mr. Watts explained briefly what Idaho Voices for Children stands for; as a state-wide advocacy group they are dedicated to improving the lives of children in the areas of health, education, safety and family support. He indicated he has met with legislative leadership, individual legislators, as well as Superintendent Tom Luna.

In nine years, 16 individual measures have come forward regarding early childhood education, although no legislation has moved forward. As **Mr. Watts** pointed out, the issue of Early Childhood Education is already being considered by the legislature this year in the form of **S1023**, as well as at the federal level in the form of stimulus funding.

Most programs in Idaho provide services to three populations: disabled; low-income; and high-risk. Middle-class, lower middle-class, families where both parents are working and single-parent families tend to not be included in this. Voices for Children believes it is time to create a process to call all the advocates to come together: the Governor, the Senate; the House; and the State Superintendent. They need to look at the policy void, the programs to which funds are presently provided, and make a decision as to what to do as a state.

Voices for Children is offering a proposal if the legislature's next step is to create Early Education legislation. It would recommend these four entities appoint people they trust to listen to all the stakeholders, assess

the need, determine the standard against the need, and then decide if the state will adopt a policy, what the policy will look like.

Mr. Watts requested time be given to **David High**, vice-president of Idaho Voices for Children to talk about the substance of the issue and some of the things he believes need to be taken into consideration as the legislature reflects on the process discussed so far.

Mr. High stated that studies have indicated success of children in grades K-12 is highly dependent on what children learn between the ages of 0 and 5. Science suggests the brain's ability to retain information develops incredibly early, and as such Idaho Voices for Children feels it makes sense to look at what policies or programs could be put in place to ensure the success of children down the road.

Senator Winder inquired if Idaho Voices for Children had spoken to the Speaker of the House and the Senate Pro Tem regarding a select committee. Mr. High stated that Idaho Voices for Children is proposing that the House and the Senate leadership choose three members from both the House and the Senate, business community members, parents, teachers, etc and Superintendent Luna

In response to questioning by **Senator Kelly**, both **Mr. High** and **Mr. Watts** indicated that this select committee would allow both the House and the Senate as well as the Governor's appointees, the Superintendent's appointees and community partners to sit down and discuss what they feel is necessary for the future of early childhood education.

Senator Schroeder noted that he had been working on pre-K legislation for a number of years, and that while there are a number of issues that have and will continue to be faced, he is willing to give a group the opportunity to move forward and get some consensus on the issue.

Chairman Goedde indicated the major impediment to this point has been with the House, and has recommended **Mr. Watts** meet with the Speaker of the House and the Chairman of the House Education Committee and receive confirmation that there may be a possibility of moving forward with this legislation. Until **Mr. Watts** receives that confirmation, **Chairman Goedde** has no intention of moving forward.

With no further questions for **Mr. Headlee, Mr. Watts** or **Mr. High**, **Chairman Goedde** thanked them for their comments and adjourned the meeting at 4:50 P.M.

Senator John Goedde Chairman	Sara Pealy Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	February 9, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*

MINUTES: As **Chairman Goedde** was in a meeting, **Vice Chairman** Mortimer called the meeting to order at 3:05 P.M. and requested the secretary take a silent roll. He welcomed **Janet Gallimore,** Executive Director of the Idaho State Historical Society to present an annual update to the committee.

PRESENTATION: **Ms. Gallimore** gave a brief history of the ISHS, and presented some major accomplishments it has achieved over the past year including the continued preservation of historical structure, the advent of the e-letter program, and assistance in community preservation, among other programs. She also presented the results of an American Association of State and Local History survey, which will better prepare the ISHS to enhance services despite having a tight budget

Educational investments, partnerships with private entities such as the Grand Lodge of Idaho, and the completion of the Idaho Penitentiary Inmate Files were also noted by **Ms. Gallimore** as some major accomplishments of the ISHS, as well as the implementation of a marketing strategy as proposed in 2008.

All of these were encompassed by the ISHS's strategic plan, which included five main goals: 1) improvement of customer service; 2) optimization and enhancement of funding opportunities and partnerships; 3)optimization of public awareness and participation; 4) ensuring the team has skills to achieve strategic plan and vision; and 5) improve internal agency communication.

Having no questions from the committee, **Vice Chairman Mortimer** thanked **Ms. Gallimore** for her presentation and turned the gavel over to **Chairman Goedde**.

RS 18328: **Chairman Goedde** announced that he was reordering the agenda and **Senator Davis** would be presenting **RS18328** to the committee.

Senator Davis informed the committee that **RS18328** deals with the interstate compact on education for Military Children. He indicated that both the **Chairman Goedde** and **Representative Nonini** had expressed some concerns, which the administrators have tentatively answered. Recognizing there were still concerns however, **Senator Davis** stated that at this point he was just requesting the bill be printed.

MOTION: **Senator Sagness** moved to print **RS18328**. The motion was seconded by **Vice Chairman Mortimer**. It carried a voice vote.

PRESENTATION: **Chairman Goedde** welcomed **Ann Joslin**, Executive Director of the Idaho Commission for Libraries, to present an annual update to the committee.

Ms. Joslin presented the vision and mission for the Commission, and addressed Adigital natives,@ who are children who have grown up with digital technology. She also explained the continuing education provided by the library, and two of the Commission=s major programs.

The first program outlined by **Ms. Joslin** was the launch of several initiatives intending to help school libraries. These initiatives focus on collecting and analyzing school library data, focusing on the teacher-librarian=s role in student success, and providing professional development opportunities for teacher-librarians.

The second program **Ms. Joslin** focused on was the ARead to Me@ program, which consist of early and family literacy programs such as AFirst Book@ and AJump Start Kindergarten. She stated that in the summer of 2008, 45,850 children registered for summer reading programs at 112 Idaho libraries, a 66% increase since 2004.

Overall, Idaho=s public, school and academic libraries are efficiently run organizations that don't have extra human or material resources to take on additional projects or easily expand services to meet growing demand.

Senator Winder inquired about how staffing was proceeding for libraries. **Ms. Joslin** stated that school libraries have the most issues. Most elementary school librarians are not certified teachers, and yet they are in the position where they are being asked to teach literacy skills. Public libraries are different; when the commission started offering continuing education, some 80% of people had no formal library science education. Now however, there are a great deal of young people interested in making librarianship a career.

RS 18477C1: **Tracie Bent**, with the State Board of Education, presented **RS18477C1** for the committee. She indicated the legislation would provide consistency in the procedures the State Board of Education must take after a proposal for district consolidation, deconsolidation or boundary

changes is approved by voters.

Ms. Bent stated the initial draft of **RS18477C1** had typographical errors and spatial limits on the minimum amount of space that needed to be considered when looking at annexing an area into a school district. The language was cleaned up, and the minimum area to be considered was removed.

MOTION: **Senator Fulcher** moved to send **RS18477C1** to print. The motion was seconded by **Senator Andreason**. It carried by voice vote.

RS 18508: **Ms. Bent** presented **RS18508** for the committee. The legislation will transfer the Skills Training Advantage for Riders (STAR) program from the Department of Education to the Division of Professional-Technical Education. The initial wording of this bill indicated it would be transferred to Idaho State University; however, ISU felt it was not a good fit for their institution.

MOTION: **Vice Chairman Mortimer** moved to print **RS18508**. The motion was seconded by **Senator Sagness**. It carried a voice vote.

PRESENTATION: **Chairman Goedde** welcomed **Nick Smith**, Deputy Superintendent of Education, to present on the Teacher Performance Evaluation Task Force (attachment 1).

Mr. Smith explained the history of the Task Force, which was put together in 2008 via **H669** following the ISTARS Pay-for-Performance model. Acknowledging that the Mission Statement was somewhat redundant, Mr. Smith stated that there had been concerns in years past that teachers had not received appropriate evaluation, and wanted better standards for evaluators to follow. This was also addressed in the Task Force goals. Two separate higher education panels were brought in, one regarding Administrator Preparation Programs, and one regarding Teacher Preparation Programs. The Administrator Preparation Program (which focused on how administrators were being prepared in Idaho) determined that teachers are being prepared more for the day-to-day administration function in a school versus supervision and evaluation. The Teacher Preparation Program analyzed how teachers are being prepared, and by what standards they are being prepared.

The Task Force brought **Ms. Danielson** into Idaho for a two-day session. Day one was spent learning about her teaching framework; day two was discussing in part whether this would be a top-down or bottom-up implementation and pay-for-performance, among other things.

Ms. Danielson's domains and components were adopted as Idaho's Minimum Standards. Having looked at a survey by the Idaho Education Association (IEA), the task force recognized it would be easier to implement her domains as a majority of Idaho's districts were already utilizing models based on **Ms. Danielson's** framework.

Mr. Smith explained the Task Force's recommendations for minimum requirements for district evaluation design, which included a proposed

rule change relating to inter-rater reliability (attachment 2). As noted by **Mr. Smith**, these changes would require evaluation of category 1 teachers (not currently evaluated), and inclusion of all other recommendations by the task force. He also provided a time-line for the implementation of this process.

Chairman Goedde requested **Mr. Smith** address the lack of fiscal impact on the model legislation provided. **Mr. Smith** stated the proposition would use money the state already has in the budget to implement this at the state level. Regarding districts, Title II money is intended to be used for teacher and administrator professional development and training. Although this money is often used to reduce class sizes, applying it towards evaluation plans is something districts are supposed to be doing already.

Chairman Goedde wanted to know how the task force intended to get inter-rater reliability without quite a bit of professional help and support for the professional evaluators. **Mr. Smith** stated achieving that inter-rater reliability would indeed require a lot of professional help. Technical assistance as provided by the State Department of Education would be key, but also indicated a great deal of the responsibility would lie with the districts themselves.

In response to questioning by **Senator Sagness** about review cycles for the on-going evaluation and training as well as plans for administrators, **Mr. Smith** indicated there have been talks about requiring districts to submit teacher evaluation models along with the required school improvement and consolidation plans. Some research on the training for administrators was done, as was on-going professional development. There was also talk about requiring evaluation plans by administrators, similar to teacher's teaching plans.

Senator Sagness indicated there used to be requirement for a professional development plan for teachers that was never used. In response **Mr. Smith** noted that the issue appears to lie in the fact that although that is on the books, there is no way to enforce it at this point.

Senator Andreason inquired how and by whom the evaluations would be made. **Mr. Smith** stated each district would be responsible for its schools, and the state would be responsible for the districts.

In response to questioning by **Senator Winder**, **Mr. Smith** indicated it would be the job of principals and superintendents first and foremost to evaluate the teachers. To achieve this some districts have turned to hiring building administrators to oversee day-to-day functions of the building, leaving the principle free to perform necessary evaluations.

Chairman Goedde requested **Sherri Wood**, with the IEA as well as a task-force member, make some comments if she would about anything that hadn't been spoken to thus far. **Ms. Wood** stated that she felt the process as a whole was a good one. The biggest concern is ensuring the training does roll out, and the teachers get the training as well as the

administrators. That's the way this process will be effective and teachers will be better educators.

With no further questions from the committee, **Chairman Goedde** thanked **Mr. Smith** and **Ms. Wood** and adjourned the meeting at 4:50 P.M.

Senator John Goedde Chairman	Sara Pealy Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	February 10, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Andreason, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Schroeder
NOTE:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:05 p.m. and requested the secretary take a silent roll.
CONFIRMATION VOTE:	**Senator Andreason** moved to send the appointment of **Kenneth Edmunds** to the floor with a do confirm recommendation. **Senator Fulcher** seconded the motion and it carried by **voice vote**. **Senator Andreason** will sponsor the appointment.
GUBERNATORIAL APPOINTMENT:	**Richard Westerberg,** a current member of the State Board of Education, appeared before the committee for reappointment to that Board. **Mr. Westerberg** was appointed two years ago to complete an unexpired term. He stated that he has immensely enjoyed his experience with the Board, and that he now has a better understanding of the depth and breadth of the assignment, the time required, and the importance of the issues dealt with by the Board. **Mr. Westerberg** provided a brief biography of his professional career. He then took questions from the committee related to how he felt about the operational changes to the Board made by the Legislature last year; what specifically he would like to see the Board accomplish during his term; what innovations he might be able to bring to the table based on his past management experience; what sub-committees he participated in with the Board; and whether he had any conflicts that might affect his service on the Board. **Chairman Goedde** thanked **Mr. Westerberg** for his years of service on the Board and for appearing before the committee. He announced a motion to confirm will be addressed at a subsequent meeting.
S 1060:	Relating to Public Library Districts. **Senator Corder,** District 22, presented this legislation, which amends and clarifies the process in

Idaho Code, Section 33-2713, to dissolve a library taxing district. It reaffirms that each county commission involved with a library district shall accept and review a citizen petition requesting dissolution and conduct a public hearing to consider the petition. The proposal clarifies that each county commission, after consideration of testimony and information at a public hearing, may rule to dismiss the petition or to move it to the ballot for a vote on the question. It further limits any dissolution petition to one per every two years once settled by a public vote or county commission ruling.

Senator Fulcher inquired as to what had triggered this proposed legislation. **Senator Corder** reviewed an incident encountered by the Boise County Commissioners. Differences of opinion regarding the establishment of the original library district created a controversy that came before the Commissioners on a continual basis. This bill was drafted to define procedures and set reasonable time limits for rehearing the same petition.

TESTIMONY: **John Watts** of the Idaho Library Association spoke in favor of this legislation. He stated that the Idaho Library Association (ILA) is made up of the professional libraries of the State of Idaho, including: 1) district libraries; 2) city libraries; 3) school libraries; and 4) colge and university libraries. He advised that libraries today are enjoying some of the greatest growth they have seen in many years. ILA feels this bill clarifies procedure for county commissioners, gives them an opportunity to hear a concern, rule on it, and not have to repeatedly deal with the same issue. **Mr. Watts** stated that ILA supports this bill.

Committee members questions why this bill was before the Education Committee and not the Local Government and Taxation Committee. **Chairman Goedde** advised the committee that libraries do fall under Education, Section 33.

MOTION: **Senator Fulcher** moved that **S 1060** be sent to the floor with a do pass recommendation. The motion was seconded by **Senator Sagness** and passed by **voice vote**. **Senator Corder** will sponsor **S 1060**.

PRESENTATION: **Brent Reinke**, Director, Idaho Department of Corrections, presented the Department's Annual Report for FY 2008 (attachment #1), and provided the committee with a brief overview of activities within the Department. He stated that the Department currently oversees 7,232 incarcerated individuals and about 13,800 individuals are managed in community corrections throughout the State.

Mr. Reinke reviewed the riot that occurred on January 2, 2009, stating that the building involved will again be occupied by the end of March. He stated that 300 inmates have been returned from the state of Texas and 325 inmates remain in Oklahoma (attachment #2).

Mr. Reinke advised that Idaho ended the year with 90 inmates fewer than were in custody last January. This has been accomplished through programs placing the right inmates in the right beds at the right time. He stated that through the initiation of treatment pathways and education programs the Department aims to make sure inmates are equipped with the right resources so that when they come before the parole commission they are more likely to be released. He emphasized that the Department has done nothing to put Idaho's citizens or communities at risk in this effort.

Mr. Reinke stated that the Department's no growth in 2009 initiative will save nearly $5 Million during the next fiscal year and allow the Department to deal with the FY 2010 budget cutbacks.

Mr. Reinke introduced Deputy Chief **Shane Evans,** who gave a brief overview of the Department's work in the areas of treatment pathways and education (attachment #3). **Mr. Evans** stated that the Department's Treatment Pathways for Success program is a plan to get inmates on the right path and out of prison in a more timely manner. It consists of putting the right inmate in the right program at the right time. The goal of this program is meeting an initial parole eligibility date, receiving a favorable parole hearing, and parole.

Mr. Evans stated that the Department recognizes the importance of education for inmates, especially vocational education. He provided an overview of the Department's education programs (attachment #4). He emphasized academic accomplishments of inmates and the importance of collaboration and strong working relationships with public and private partners.

In response to several questions from the committee, **Mr. Reinke and Mr. Evans** reviewed the steps taken to prepare inmates for parole, stating that the new pathways programs should solve the problem of an inmate not timely meeting eligibility for parole. They outlined in detail the steps and time line the Department implements to assist an inmate in preparing for a parole hearing. They responded to questions related to housing inmates in group homes in the community, explaining that although they supervise the inmates personally, they do not have any control over where those homes are placed. They do investigate to make sure the inmate will fit into the environment.

When asked how the increased release rate of inmates might impact local police and sheriff's officers, **Mr. Reinke** stated that the Department does not release inmates any earlier than their sentence allows. Their goal is to make sure that when inmates are paroled, they leave well prepared and have the resources they need to live in the community.

Mr. Reinke stated that the Department anticipates the 325 inmates currently in Oklahoma will be returned to Idaho by the end of

August. He discussed the Department's relationship with local jails and private facilities and explained the rationale behind where inmates are housed. **Mr. Reinke** advised that Idaho has 16 inmates on death row, and that Idaho is revamping policies and procedures to be in compliance with legal requirements in that area. **Chairman Goedde** thanked **Mr. Reinke** and **Mr. Evans** for their presentation.

Senator Sagness asked to clarify his position on early childhood education. He stated his principal interest is to see early childhood education efforts move ahead positively, and that he does not endorse any particular committee working in that area.

Chairman Goedde reviewed the committee schedule for next week. He stated that joint meetings with the House would be held on February 16th, 17th and 18th. Those meetings will begin at 8:30 a.m., and committee meetings will not be held in the afternoon on those days.

Chairman Goedde adjourned the meeting at 4:15 p.m.

Senator John Goedde
Chairman

Sara Pealy
Secretary

Lois Bencken
Assistant Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	February 11, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:05. He requested the secretary take a silent roll, and relinquished the gavel to **Vice Chairman Mortimer** so that he may present **HCR9**.

HCR9: **Chairman Goedde** stated **HCR9** would reject change to Section 301, and restore subsections 100.01, 100.02, and 100.03 under Docket Number 47-0101-0801.

MOTION: **Senator Fulcher** moved to send **HCR9** to the floor with a do-pass recommendation. The motion was seconded by **Senator Andreason**. It carried by voice vote.

RS 18467: **Chairman Goedde** welcomed **Senator Sagness** to the podium to present **RS18467**. **Senator Sagness** explained RS18467 would lift the restriction on lottery fund usage for school districts, and allow these monies to be used for discretionary purposes as well from July 1, 2009 to June 30, 2012. **Superintendent Luna** has proposed taking out an equivalent amount of funding from district budgets and then allowing lottery funds to flow in.

Senator Schroeder inquired how the money would be distributed in the school district building account. **Senator Sagness** responded that the method of distribution has not been changed, but the restrictions on usage have been lifted. **Senator Schroeder** asked if the current lottery funds going to districts are distributed according to ADA. **Senator Sagness** indicated that was the case, and **Chairman Goedde** concurred.

Senator Pearce wanted to know when this requirement to direct funds towards capital expenditures was implemented. **Phil Homer**, with the Idaho Association of School Administrators, informed the committee that this distribution had been in place since the lottery funds were first applied

to schools.

In response to questioning by **Senator Pearce**, **Chairman Goedde** explained it was his understanding that **Superintendent Luna** had earmarked approximately $20.5 million, made up of lottery funds, lottery interest dollars, and another, much smaller component, that would be sent to districts for maintenance work. This money was previously earmarked for capital improvements, but the Superintendent is proposing cutting those strings and sending it as discretionary money to supplant general fund money.

Senator Winder inquired whether **Senator Sagness** would be willing to shorten the time period on allowing districts to use their lottery funding as discretionary money. **Senator Sagness** indicated no, he would not, as although there is a projected stimulus package, it will likely be well into next year before any significant improvements are seen. However, he did acknowledge there could be legislation passed that would stop this or alter this time period.

Senator Schroeder stated he feels there are many signs the economy may turn around not too much further down the road, and as such is somewhat reluctant to start modifying a system that seems good, and that the legislature has worked hard to build.

MOTION: **Senator Schroeder** moved to print **RS1847** with the caveat that **Chairman Goedde** would hold on to it until more funding issues were looked at. The motion was seconded by **Senator Kelly**. It passed with a voice vote.

RS 18568: **Senator Sagness** presented **RS18568**, explaining that this was drafted to honor Dr. Ron Hatzenbuehler for his many years of service as an educator in the state of Idaho.

MOTION: **Senator Mortimer** moved to send **RS18568** to the 10th Order. The motion was seconded by **Senator Winder**. It carried by voice-vote.

RS 18615: **Senator Sagness** presented **RS 18615** to the committee. This proposed legislation would place a temporary moratorium on the establishment of new charter schools through June 30, 2012. **Senator Sagness** stated the intent of this legislation was to preserve the efficacy of the traditional public schools in Idaho during the current economic downturn. When a charter school is established in a district, the money that would otherwise go to a traditional public school follows the student to the charter school, thereby reducing the amount of money the traditional public school was counting on receiving.

Studies have shown that a charter school pulls as much as $1.3 million from traditional schools, and when Idaho fills its annual allotment of 6 charter schools, it is estimated that between $7 and $10 million is pulled from the state's education budget. While traditional public schools serve approximately 255,000 students, charter schools serve between 9,000 and 10,000 students, and it is the feeling of **Senator Sagness** that it is

the duty of the legislature to ensure that these 255,000 students are properly educated. He did acknowledge there would be some who would object on the basis of choice, but that the education of the few should not come at the expense of the education of the many.

MOTION: **Senator Schroeder** moved to print **RS 18615**. The motion was seconded by **Senator Andreason**. **Chairman Goedde** opened the floor for discussion.

DISCUSSION: **Senator Pearce** indicated he would vote against the motion as the battle over charter schools has been fought for a number of years. Additionally, there are many who have already gone into the planning stages of a charter school and were under the assumption they could apply for a charter; passing this legislation would be unfair to these groups.

Senator Sagness noted that students in traditional public schools were not expecting the economic problems either, but rather were expecting to have school programs.

Senator Andreason pointed out that if the 2012 date as set by this piece of legislation were to become problematic legislation could be enacted to change that.

In response to an inquiry by **Senator Winder**, **Chairman Goedde** requested that **Tamara Baysinger** inform the committee as to how a charter school is started. **Ms. Baysinger** explained that charter school petitioners must first take their petition to the charter school board in a district. From there the charter can be accepted, rejected or recommended to the State Charter School Commission. **Chairman Goedde** added that those seeking a charter have to go to a class, submit a petition to the state, and make changes based on suggestions. From there it goes to the district, as outlined by **Ms. Baysinger**. Additionally, virtual charter schools go straight to the State Charter School Commission.

Senator Schroeder expressed the opinion that to not introduce this piece of legislation would be saying to the public there are some things the legislature can't consider while looking to balance the budget.

Senator Schroeder stated he would like to amend his original motion to include the stipulation that **Senator Sagness** amend his SOP to further define a public charter school. **Senator Andreason** seconded.

Senator Fulcher requested a roll-call on the motion to print the bill.

Vice Chairman Mortimer – Aye
Senator Schroeder – Aye
Senator Andreason – Aye
Senator Fulcher – Nay
Senator Pearce – Nay
Senator Winder – Nay
Senator Sagness – Aye

Senator Kelly – Aye
Chairman Geode – Nay

The motion **carried** to print **RS 18615**.

With no further business of the committee, **Chairman Goedde** adjourned the meeting at 3:45 P.M.

Senator John Goedde Chairman	Sara Pealy Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	February 12, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Sagness
NOTE:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:00 p.m. and requested the Secretary take a silent roll.
PRESENTATION:	**Barb Bode**, President, Idaho Parent Teachers Association (IPTA), reviewed the IPTA organization and its vision (attachment #1). **Ms. Bode** introduced **Laurie Boeckel**, IPTA Legislative Vice President, who provided an overview of the IPTA legislative priorities for the 2009 legislative session (attached #2). In response to questions of the committee, **Ms Bode** explained that PTA is a national, state and local organization; other parent organizations provide only local support. She advised that PTA is a 503C organization, and provides reduced cost insurance to its units so that they are covered for accidents, fraud or abuse. She stated that IPTA had not taken a position on development of geothermal energy on State Endowment Lands, but would support anything that would increase the income from public trust lands. She advised that IPTA has approximately 10,000 members. Several committee members complimented IPTA for its work and involvement in public education and **Chairman Goedde** thanked **Ms. Bode** and **Ms. Boeckel** for their presentation.
S 1074	Relating to the Idaho Bureau of Educational Services for the Deaf and the Blind. **Dr. Mike Rush**, Executive Director, Idaho State Board of Education (SBE), presented S 1074. He recognized **Aylee Schaefer**, Blind/Visually Impaired Transition Coordinator for SBE and **Jennifer Swartz,** Deputy Attorney General representing SBE, for the expertise and assistance they have provided in this proposed legislation. **Dr. Rush** stated that the purpose of this bill is to provide for improved

educational opportunities for deaf and blind students across the State. It replaces the current School for the Deaf and Blind with the Idaho Bureau of Educational Services for the Deaf and the Blind, and creates a Board of Directors to govern the Bureau's activities. The Bureau will be charged with working with school districts across the State to ensure the delivery of services to students in need, and may operate a residency program. While the Bureau remains under the authority of the State Board of Education, this bill removes the State Board from day-to-day program operations.

Dr. Rush provided some history of the School for the Deaf and Blind for the committee. He stated that this is the only instance in which the SBE acts as a local school board, requiring the necessity of direct governance of K-12. The complexity of operating a statewide school would be significantly benefitted by having a school board with both the expertise and the mission of directing such an organization. This will allow the school to create its own employee organizational structure, which could improve recruitment and retention of teachers. In addition, it would provide the focused leadership necessary to deal with significant challenges associated with the continuing transition and improvement of services identified at the recent summit for the education of students who are deaf/hard of hearing and blind/visually impaired (summit).

Dr. Rush advised that this legislation is modeled after the legislation which created the Idaho Digital Learning Academy (IDLA). IDLA has several similar characteristics in that it functions as an educational entity, but also provides services to school districts throughout the State. This model would create a board of directors appointed by the Governor. The board would consist of eight members with appropriate qualifications, be chaired by the Superintendent of Public Instruction, and would appoint an administrator for the school. Powers and duties are similar to those currently established for the school, and this legislation also facilitates the transfer of the employees from the current structure to the new one.

In response to questions of the committee, **Dr. Rush** stated that from discussions at the summit, SBE concluded that Idaho needs some kind of state organization, some kind of centralized facility, and some sort of residential facility for deaf students. There was not a unanimous agreement at the summit that the residential facility needs to remain in Gooding, and the conclusion was that it eventually would need to move; however, in the immediate term the primary goal is to make that offering as efficient as possible. An Advisory Committee has been formed and will be working on a plan to best distribute services to students not physically in a central location.

Steve Snow, Executive Director, Idaho Council for the Deaf and Hard of Hearing, commented in support of this bill. **Mr. Snow** is an alumnus of the Idaho School for the Deaf and Blind in Gooding. The Idaho Council for the Deaf and Hard of Hearing is a State agency dedicated

to ensuring that Deaf and Hard of Hearing people around the state, regardless of their age, receive the services and access they need. He reviewed several successful deaf schools with independent boards in other states. He stated that creating the Idaho Bureau of Educational Services for the Deaf and Blind will create a greater sense of pride and ownership within the school, which will in turn bring an increase in commitment from the deaf community.

Susan Bradley, First Vice President, National Federation of the Blind of Idaho, commented in opposition to this bill. Her opposition is based on her opinion that the education of the deaf and the education of the blind should be governed by separate entities. She stated that she is aware of budgetary concerns, and that this legislation would be acceptable if it is amended to provide for a long-term blind and a long-term deaf consumer as well as a parent of a blind child and a parent of a deaf child as members of the Board.

In response to **Ms. Bradley's** comments, **Dr. Rush** stated that four people on this board are specifically designated as people who would have experience with individuals who are deaf/hard of hearing or blind/visually impaired and two more at large members. He advised that skill sets are different for someone who is providing specific technical services for a certain activity or curriculum decision and a person with the expertise to be able to make government decisions related to a particular school.

In response to questions from the committee, **Ms. Bradley** stated her concern is that the Board could end up without a representative who is actually blind.

Chairman Goedde excused himself to catch a flight and passed the gavel to **Vice Chairman Mortimer.**

In response to further questions from the committee, **Dr. Rush** indicated that the only statutory entity representing the blind individually is the Commission for the Blind.

Gus Tropea, representing the National Federation of Blind Students, commented in opposition to this bill. He stated that as a blind student at the Idaho State School for the Deaf and Blind, he felt the school did not exactly know what his needs were. He stated that even though the school has trained professionals in the deaf and blind fields, they are not deaf or blind themselves, and cannot adequately represent the deaf and blind students.

The committee discussed with **Dr. Rush** whether he was aware of these concerns, and inquired if he was open to modifying the composition of the proposed board. **Dr. Rush** stated that he was not aware of these specific concerns, but suspected there might be issues as any group he has ever worked with wants to place people on a board that represent their particular interest. In this instance he feels

the input of deaf consumers and blind consumers is vitally important, but is not sure that person needs to be sitting on the governing board. He stated that the Governor wants as much flexibility as possible to appoint the best representatives to each board. When those appointments come up, people have an adequate opportunity to go directly to the executive branch and lobby the Governor for whomever they wish on that board.

Ramona Walhof, a blind consumer, commented in opposition to this bill. From a budgetary concern, she questioned the need for the Advisory Committee and a board. Regarding the composition of the proposed board, she stated that school boards are generally elected, and therefore they do represent the people. She advised that the most important thing the Legislature could do is divide services for the deaf and services for the blind. **Ms. Walhoff** stated that although changes are desperately needed, she feels this change is a premature concept not fully thought out, and it will not solve most of the problems.

When asked by the committee to give her recommendations for running this program, **Ms. Walhoff** responded that in order to run effectively, the programs for the deaf and the blind need to be separate, with two different budgets and two different boards or administrators. She feels it is important that a parent of a blind child and a parent of a deaf child serve on the respective boards. She would recommend that the Advisory Committee be given a chance over a two-year period to evaluate changes to the program and then bring recommendations to the Legislature.

Mike Gibson, Assistant Technology Coordinator, Boise State University, commented in opposition to this bill. He stated that he would not have his position if it were not for the services he received from the Idaho School for the Deaf and Blind. He attended the school through 2nd grade and then received outreach services through the Wendell School District. Ten years ago he served on a task force to study and identify the problems and issues facing blind and visually impaired children in Idaho. That task force also recommended the creation of an independent consumer driven board to oversee the school and its services. In concept he supports that idea, but has some concerns over this particular legislation. He would strongly encourage that the board be modified to include a parent of a blind child and of a deaf/hard of hearing child, as well as an individual representing a consumer organization from each disability group. He stated that he ultimately supports separate programs.

Mary Jones, Idaho Department of Health & Welfare, commented in opposition to this bill. She stated that she is Program Manager for the Infant/Toddler Program serving birth to 3 year olds with developmental delays and disabilities. She has a good working relationship with the Idaho School for the Deaf and Blind and relies on that interagency partnership to assure that adequate services are in place. She is a member of the Advisory Council for the Deaf and also attended the

summit. She stated she is very much in support of the establishment of the Idaho Bureau of Educational Services for the Deaf and the Blind. However, she does have specific concerns dealing with omissions in this bill. This legislation does not address the obligation of ongoing commitment to the birth to 3-year old population. Her concern is that we sustain the partnership through very clear language that recognizes the obligation for the outreach services that infants, toddlers and their families currently benefit from.

In response to the testimony **Dr. Rush** stated that he realizes that this bill does not solve all the problems that were identified by the committee last year or at the summit, but thinks the work ahead will be much better dealt with if we have a board which has the time and expertise to deal with it directly.

Dr. Rush advised that under this legislation SBE still retains rule making authority. The Advisory Committee was created under that authority and will exist until changed by rule. **Ms. Shaffer**, advised that **Ms. Jones'** concerns could be handled through a memorandum of understanding with the new board. **Ms. Jones** stated that would be acceptable.

MOTION: **Senator Schroeder** made a motion that S1074 be held in committee for a week minimum or longer at the discretion of **Chairman Goedde** to give the parties sufficient time to discuss the characteristics of the bill and bring that back to the committee. **Senator Fulcher** seconded the motion. **Senator Kelly** requested that **Dr. Rush** bring back to the committee an explanation as to how the composition of the board is determined. **Senator Andreason** called for the question, and the motion carried by **Voice Vote**.

H 0018 Relating to sick leave for College of Western Idaho Employees. **Dr. Rush** presented H 0018. He stated that when the Selland College of Applied Technology at Boise State University transfers its employees to the College of Western Idaho, those employees will no longer be State employees. This bill will ensure that those former State employees do not lose their accrued sick leave because of this transfer.

MOTION: **Senator Andreason** made a motion to send H 0018 to the Senate floor with a do pass recommendation. The motion was seconded by **Senator Winder** and carried by **Voice Vote**.

Vice Chairman Mortimer adjourned the meeting at 4:46 p.m.

Senator John Goedde
Chairman

Sara Pealy
Secretary

Lois Bencken
Assistant Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	February 17, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Sagness
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:00 P.M. and requested the secretary take a silent roll. He stated that since he had an RS to present he would be passing the gavel to **Vice Chairman Mortimer.**
RS 18691:	**Chairman Goedde** presented **RS 18691** requiring charter schools to notify affected districts of their intent to establish a charter school. Because the time to print bills out of a germane committee had passed, **RS 18691** would be recommended to a privileged committee should the Senate Education Committee vote to print it. This legislation will mandate that charters provide notice to the district in which it will reside. It also allows districts to provide testimony to the charter school board, as this is not currently allowable.
MOTION:	**Senator Schroeder** moved that the Senate Education Committee recommend to a privileged committee that **RS 18691** be printed. The motion was seconded by **Senator Andreason.** The motion carried by voice vote.
H 19:	**Mark Browning**, Chief Communications & Legislative Officer for the State Board of Education, presented **H 19**, which would grant the State Board of Education (SBE) the ability to transfer property to other government entities if it deems it in the best economic interest of the state. The SBE is the single entity that presides over all public post-secondary educational land in Idaho. In 2008 the Legislature voted on a transfer of property between Boise State University and the newly-created College of Western Idaho. Because the process was quite long and involved, the SBE felt it appropriate to create legislation streamlining it. This process would not be reciprocal in that the State Board of Education could not receive property

from other government entities, including school districts and community colleges.

In response to questioning, **Mr. Browning** indicated property belonging to public post-secondary higher institutions resides in the name of the SBE. He also stated this ability is already in statute for existing local school districts and community colleges to dispose of property without any compensation. The SBE does not have that ability however.

Senator Kelly inquired if there are any rules to define “best interest” of the State, to which Mr. Browning replied there are none currently, but some would most likely be established in the rule. In response to additional questioning, **Mr. Browning** stated that the SBE would not have the ability to take property from community colleges as that property belongs to the taxpayers and board of trustees for the specific community college.

Senator Schroeder inquired if this legislation would allow the SBE to turn over property to the federal government for a military training facility for example. **Mr. Browning** stated this was not something the SBE had considered but that given the way the legislation reads it could be possible.

In response to questioning by **Senator Pearce**, **Mr. Browning** stated that at this point there is no anticipated transfer of land, but that the SBE would like to make the process of these transfers easier if or when it does become necessary. Additionally, **Tracie Bent**, with the State Board of Education, stated that this would not require legislative approval for future transactions.

MOTION: **Senator Schroeder** moved to send **H 19** to the amending order. The motion was seconded by **Senator Andreason**. Senator Winder stated he would be opposed to sending **H 19** to the amending order inasmuch that is effectively giving legislative approval.

Senator Pearce inquired of **Chairman Goedde** if this legislation would hold any real value if passed as amended, to which **Senator Goedde** indicated no. **Vice Chairman Mortimer** expressed the opinion that for as infrequently as property is transferred, that power should remain with the legislature.

SUBSTITUTE MOTION: **Senator Pearce** made a substitute motion to hold **H 19** in committee. The motion was seconded by **Senator Fulcher**.

Senator Schroeder requested a roll-call vote on the substitute motion.
Vice Chairman Mortimer – Aye
Senator Schroeder – Aye
Senator Andreason – Aye
Senator Fulcher – Aye
Senator Pearce – Aye
Senator Winder – Nay
Senator Sagness – Excused
Senator Kelly – Aye

Chairman Goedde – Aye

The substitute motion **carried** to hold **H 19** in committee.

S 1078: **Ms. Bent** presented **S 1078**, which clarifies the process by which school district boundaries can be altered. This legislation was proposed earlier in the session, but because of typographical errors the language needed to be cleaned up. Additionally, the revised legislation removed the one mile minimum from Section 33-308.

Vice Chairman Mortimer asked if **Ms. Bent** would clarify the bill. **Ms. Bent** stated there is currently a process that changes a boundary. There has been some confusion regarding who the county assessor reports to, and the intent of the amending of this statute is to clarify existing policy.

MOTION: **Vice Chairman Mortimer** moved to send **S 1078** to the floor with a do-pass recommendation. For lack of a second the motion died.

SUBSTITUTE MOTION: **Senator Andreason** moved to hold **S 1078** until a date certain, Tuesday, February 24, 2009, that he may discuss it with any effected school district he represents. The motion was seconded by **Senator Pearce**.

Senator Fulcher inquired if there had been feedback from educational stakeholders, and if the SBE was aware of any opposition. **Ms. Bent** stated the process of amending this legislation had been started during 2008, at which point there had been tremendous feedback received. The SBE has tried to implement as much of that feedback as it can. Regarding opposition, Ms. Bent stated the only known opposition was against the one mile minimum, which has since been removed from the legislation.

Cadey Hull, with the Idaho School Board Association, indicated the ISBA had no opposition to the legislation.

Senator Pearce inquired if this legislation would change the ease of consolidation, to which **Ms. Bent** stated it would not. She also indicated the reason for the numerous changes was that currently there is so little clarification, and there would be no anticipated impact on charter schools.

The substitute motion to hold until date certain, as proposed by **Senator Andreason**, carried by voice vote.

S 1079: **Ms. Bent** presented **S 1079**, relating to the transfer of the Skills Training Advantage for Riders (STAR) program from under the Department of Education to the Division of Professional-Technical Education (PTE).

Stacy "Ax" Axmaker, director of the Idaho *STAR* Motorcycle Safety Program, testified in favor of the transfer of STAR from the SDE to PTE.

MOTION: **Senator Andreason** moved to send **S 1079** to the floor with a do pass recommendation. The motion was seconded by **Senator Pearce**.

Senator Pearce inquired if this would have any effect on the program as located at Lewis-Clark State College. **Mr. Axmaker** indicated this would

not change the location of any program, but rather the central headquarters would be shifted.

The motion carried by voice vote. **Senator Andreason** will carry **S 1079** on the floor.

MOTION: **Senator Schroeder** moved to approve the reappointment of Richard D. Westerberg to the State Board of Education. **Vice Chairman Mortimer** seconded the motion. The motion carried by voice vote. **Senator Geddes** will be the sponsor of the candidate.

MOTION: **Senator Pearce** moved to approve the minutes from the January 21, 2009 and January 22, 2009 meetings. The motion was seconded by **Senator Fulcher**. It passed by voice-vote.

With no further items on the agenda, **Chairman Goedde** adjourned the meeting at 3:45 P.M.

Senator John Goedde Chairman	Sara Pealy Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	February 19, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Sagness
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:05 P.M. He requested the secretary take a silent roll. He welcomed **Dr. Mike Rush** to present **S 1074** to the committee.
S 1074:	This legislation has been amended to reflect requested changes to the Idaho School for the Deaf and the Blind board by stakeholders. These changes include adding a person who is deaf or hard of hearing, a person who is blind or visually impaired, and the parent or guardian of persons falling into each of the preceding two categories. In doing so there would be a reduction in the number of professional educators and the special education representative by one. **Dr. Rush** also stated that all stakeholders who had expressed concerns were in agreement of the proposed amendment. In response to questioning by **Senator Andreason**, **Dr. Rush** stated those from the deaf and blind communities who were appointed to the board were appointed by the governor as would be the case with any other board. **Senator Andreason** followed by asking if names could be submitted by the community for recommendation of appointment to these positions? Again, **Dr. Rush** indicated they could be, although there was no delineated process by which such recommendations would have to occur. **Ramona Walhof**, with the National Federation of the Blind, testified in favor of the amendment to **S 1074**. She stated that while there is still work to be done to improve the educational process of the deaf and the blind, this is a step in the right direction and does support the amendment.
MOTION:	**Vice Chairman Mortimer** moved to send **S 1074** to the 14th Order. **Senator Pearce** seconded that motion. It carried by voice vote.

DISCUSSION: Included in the folders for the day were recommendations from the Idaho School Boards Association, the Idaho Association of School Administrators, as well as the k-12 funding page that came out of the JFAC book for this year.

Senator Kelly wanted to know how other committees have been handling the uncertainty about the stimulus.

Vice Chairman Mortimer indicated that most committees are not making specific budget recommendations to JFAC. The exception has been **Representative Block** with the House Health and Welfare Committee, who addressed and made four line-item recommendations.

Chairman Goedde stated there are bills somewhere in the process that will take $86 million out of the public education stabilization fund for FY 2009. There is also a projection that public education will be $130 million short in FY 2010. His understanding from the stabilization fund is that the shortfalls in FY 2009 will be filled, however the Public Education Stabilization Fund will not be able to be replenished. FY 2010 will be filled to the extent that it can, and any other money will be applied to FY 2011.

Vice Chairman Mortimer requested clarification that replenishing FY 2009 would not be able to occur; however, by backfilling into 2009 the fund stays whole. Such was the understanding of **Chairman Goedde**; he noted that if money had been taken out of the stabilization fund there would be a different issue faced.

Senator Schroeder wanted confirmation that if the state received money from the federal stimulus package, it would not have to reduce CEC for teachers. **Chairman Goedde** affirmed this, so long as the legislature did not want to worry about what would happen in FY 2011. **Senator Schroeder** followed by asking what in the H 117 and H 118 would not have to be done upon the reception of the stimulus money. **Chairman Goedde** indicated he was unsure, but directed the committee to the photocopied sheet out of the JFAC bill book. Items in part A of the sheet would require statutory changes and would be directly affected by H 117 and H 118. Cutting items in Part B would not require statutory changes. **Senator Schroeder** stated that what he was getting at was if the legislature needed to be cutting any programs at this point. **Chairman Goedde** stated that assuming no statutory changes but still have to make cuts, the committee needed to decide what from Part B the committee felt comfortable cutting.

Senator Andreason indicated he would like to hear from the legislative budget staff prior to making any decisions, which **Chairman Goedde** indicated may be a possibility.

Senator Fulcher expressed concern about allowing the federal government intervening in state business. He noted that so far the limited feedback that has been received has indicates may be future issues faced with the acceptance of the stimulus package and that he would be firmly opposed to any money coming to the state of Idaho with obligations. **Senator Schroeder** asked **Senator Fulcher** if there was anything in the

stimulus package that could so far be identified as such. **Senator Fulcher** responded that there was nothing specific, but that preliminary information filtering through indicates this could be a distinct possibility.

Senator Andreason reiterated his belief that it would be in the best interest of the committee to hear the opinion of the state budget staff since it is in direct communication with the budget staff in Washington, DC.

Chairman Goedde invited **Karen Echeverria** with the Idaho School Boards Association (ISBA) to give the recommendations of the ISBA to the committee (attachment 1). **Ms. Echeverria** indicated it was the request of the ISBA to have as little impact on the students as possible. As such, it would recommend amending §33-515 of Idaho Code to allow the state to declare emergencies when necessary. Such an amendment would grant districts the necessary flexibility at the local level.

Chairman Goedde inquired if the ISBA had discussed a sunset on the striking in §33-515, to which Ms. Echeverria responded the emergency clause would be effective for 12 months. **Senator Schroeder** commented that regardless of the reason, if Idaho were to cut teacher salaries, Idaho would be less appealing for new teachers. **Ms. Echeverria** indicated that the information gathered from their boards has indicated they would prefer pay cuts over staff cuts, but at this point §33-515 makes this illegal.

With no further questions for **Ms. Echeverria**, **Chairman Goedde** invited **Phil Homer** to speak on behalf of the Idaho Association of School Administrators (IASA). **Mr. Homer** indicated the issue the IASA is facing is where to go with respects to budgeting. There are more than 60 school districts in the state of Idaho that have passed supplemental levies. In order to determine what part the supplemental levies are going to play in the whole supplemental package they would like budgetary answers sooner rather than later, but the IASA also recognizes the legislature is not at a point where it can do this yet. In the planning process some of the worse case scenarios need to be addressed, and the matching funds need to be looked at. Ideally, JFAC would begin making recommendations for hold-backs, whether it be for 2%, 5% or 10%, so that the IASA can begin running numbers and making budget recommendations. Mr. Homer noted that regardless of the percentage of cuts, the IASA would suggest the legislature keep the LEP program, even though it may be at the expense of teacher supply funds.

Mr. Homer also indicated the IASA would recommend as much as a three year moratorium on the use-it-or-lose-it clause in HB1560, to loosen the restrictions on money that school districts may need to use as a supplement. **Chairman Goedde** inquired if the IASA had discussed an emergency declaration of this proposed moratorium. **Mr. Homer** stated that although there had not been a lot of discussion of that exact proposition, the feeling of those on the front line was that the IASA would be open to talking about such a thing.

Senator Schroeder indicated he thought one of the objectives that needed to be had is to refrain from forcing districts to pass Maintenance

and Operation (M & O) overrides, as these will result in an increasingly unequal system of education. **Mr. Homer** commented that supplemental levies can upset the educational balance, but may be passed in an effort to retain teachers or programs.

MOTION: **Senator Winder** moved to approve the minutes from January 26, 2009**;** January 27, 2009; January 28, 2009; and January 29, 2009. **Vice Chairman Mortimer** seconded the motion. It passed by voice vote.

With no further business of the committee, **Chairman Goedde** informed the members that it was **Erica Baliff's last** day as a page, and he and the committee thanked her for her work. The committee adjourned at 4:00 P.M.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE: February 24, 2009

TIME: 3:00 p.m.

PLACE: Room 204

MEMBERS PRESENT: Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly

MEMBERS ABSENT/ EXCUSED:

GUESTS: *The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:15 P.M. He requested the secretary take a silent roll, and welcomed Rakesh Mohan to the committee to present the Office of Performance Evaluation report on the Feasibility of School District Services Consolidation.

PRESENTATION: **Mr. Mohan** stated the Joint Legislative Oversight Committee (JLOC) had directed the Office of Performance Evaluation (OPE) to review the feasibility of school district services consolidation. Because of the general nature of the assignment, OPE narrowed the scope by excluding instructional staff, administrators and the school board from the analysis. OPE communicated with key stakeholders, including superintendents and business managers. Additionally, school districts and charter schools were asked to provide detailed information about their expenditure in FY 2007.

Mr. Mohan introduced **Amy Lorenzo**, project lead, to give an overview and answer questions the committee may have.

The report outlines general requirements and structure for cooperatives, and indicated there are two agencies operating within the current legislative framework. Successful cooperatives share needs, engage in proper planning and maintain regular communication about the needs of the cooperative.

Purchasing, professional development and transportation were the three areas where consolidation was found to be most feasible. Small districts are likely to spend more on purchasing than large districts; more than 48 districts are contracting for professional development. With regards to transportation, costs are increasing beyond the rate of inflation by about 8% annually.

OPE recommends the State Department of Education do more to encourage districts to form cooperative efforts. It would also recommend the legislature expand current statute to encourage consolidation and transportation cooperatives.

It would also recommend follow-up studies in some areas, including transportation costs, maintenance and custodial costs of different districts, employee health insurance and special education support services.

The consolidation of services alone is not enough to save a significant amount of money and as a result OPE would recommend the legislature consider directing a study of administrator salaries.

Mr. Mohan responded that what OPE is recommending is to be viewed as an example, and as a policy issue it is something the legislature needs to address as to whether or not it is a feasible option.

Chairman Goedde requested information as to why the OPE report did not recommend that the Idaho School District Council put out to bid their health insurance policy, as that is one way to ensure it is receiving the lowest rate possible. **Mr. Mohan** and **Ms. Lorenzo** stated the Idaho School District Council had addressed this, informing OPE that it was waiting to ensure the changes were appropriate for the needs of the Council.

Chairman Goedde inquired if anything besides transportation cooperative that would take legislative action, to which **Ms. Lorenzo** replied that changing the statute regarding incentives for district consolidation would require legislative action.

PRESENTATION: **Chairman Goedde** welcomed **Sherri Wood** from the Idaho Education Association to present IEA recommendations for the committee to consider (attachment 1).

Ms. Wood stated that Idaho is eligible to receive more than $300 million for K-12 public schools via the American Recovery and Reinvestment Act (ARRA). The IEA has provided numbers based on the Joint Finance Appropriation Committee's assumption of $166 million to be received from the Stated Fiscal Stabilization Fund. Another $53.2 million will be provide through the Individuals with Disabilities Education Act (IDEA) for special education grants. The ARRA allows for as much as 50% of the IDEA funds to be offset. This translates into $26.6 million that would potentially be available for alternative funding usage. Finally, the Public Education Stabilization Fund (PESF) had approximately $114 million in it prior to the Governor's hold backs; combined with the previously mentioned funds, this would amount to $306.6 million in possible funds.

The FY 2009 budget faces an estimated $85 million shortfall. The hole can be filled through two allocations: the proposed $26.6 million offset from the IDEA funds, combined with $58.4 million of the federal State Fiscal Stabilization Fund monies. Such a procedure would restore the

Idaho to its $114 million level, leaving $107.6 million in the state stabilization fund, for a total of $221.6 million available for future revenue shortfalls.

Economists are predicting FY 2010 shortfall in the Idaho education budget may be as much as $109 million, and the IEA would propose meeting that deficit by using the remaining $107.6 million in conjunction with $1.4 million from the state's Public Education Stabilization Fund. Doing so would leave $112.6 million in PESF.

It is the belief of the IEA that by FY 2011 the stimulus package will have begun to work and the economy stabilized. In operating under this assumption, as well as the assumption that the economy will have bottomed out, economists are also predicting a $150 million shortfall in FY 2011. It is proposed that the $112.6 million remaining in PESF should at this point go toward meeting this deficit. After this application, there would be a remaining shortfall of $37.4 million. To meet this final shortfall, the IEA would recommend appropriations of 47.9 percent from the Budget Stabilization Fund—equal to percentage education is appropriated out of the state's General Fund.

If cuts must be made, the IEA would recommend proceeding in a way so as to allow districts to make funding decisions at a local level, rather than through top-down implementation. That being said, it would be in the best interest of both the state and the school districts for the state to establish criteria for local districts to use in declaring financial emergencies.

Chairman Goedde requested clarification on how the state could use IDEA funds for non-IDEA projects. **Ms. Wood** indicated that if a district can not use the funds for IDEA projects, there is a provision allowing for up to 50% of the funds to be used elsewhere within the district. **Chairman Goedde** also inquired if the IEA was under the assumption that the same budget stabilization balance in FY 2011 will be the same as it is now. **Ms. Wood** stated these are the numbers that the IEA has now, although it recognizes that these numbers may change down the road.

Senator Sagness expressed concern over transportation funding issues, and requested clarification as to what impact **H 118** would have on districts. **Chairman Goedde** indicated **H 118** would have provided $23.7 million to be moved from transportation to discretionary funding. The money could be used for transportation if they chose, but they could also use it elsewhere.

Chairman Goedde also inquired if it was the understanding of the IEA that the stabilization fund would be depleted in FY 2011, to which **Ms. Wood** replied it was.

PRESENTATION: **Chairman Goedde** welcomed **Matt Freeman**, Principal Budget and Policy Analyst, and **Paul Headlee**, Senior Budget and Policy Analyst, to the committee to present their Education Funding Overview of the American Recovery and Reinvestment Act of 2009 (ARRA).

Mr. Freeman and **Mr. Headlee** explained that education funding is found within six titles of the act: Title I, Title II, Title IV, Title VIII and Title XIV of Division A; and Title I of Division B. The known allocations that Idaho would receive from this funding is $357,918,000. After set-asides and grants, Idaho's final allocation will be $246,577,000, which must be split two ways: 81.8% for support for elementary and secondary education, and 18.2% for public safety and governmental services. Once divided, state support for FY 2009, 2010 and 2011 is returned to the greater of FY 2008 or 2009 funds through the public school funding formula; higher institution funding levels follow this formula as well.

If the allocation is enough to restore funding for public schools and higher education in FY2009, FY2010, and FY2011 at the 2009 level, funds are simply restored. If the determination is no, the next step is to then allocate the funds proportionately. When calculated, 82.39% of the funding is for elementary and secondary based on proportional shortfall, and 17.61% for post-Secondary education. Any monies left over will be put into sub-grants to local education agencies.

The act also requires the Governor to submit an application that includes assurances outlined in the Act, baseline data on the assurances and descriptions of how the state intends to use its Title XIV allocation. and restoring Idaho's state support for education to at least FY 2006 levels.

Senator Winder inquired about the FY2006 level, which Mr. Headlee stated was $987,000,000, as compared to the FY2009 projection $1,418, 532,700. **Senator Mortimer** requested that **Mr. Headlee** indicate whether **Ms. Wood's** claims that Idaho could direct IDEA funds towards non-IDEA projects. **Mr. Headlee** stated that though it could be a possibility, he had not seen it in title IIX.

Senator Winder wanted to know if the state would still get money for specific programs if it didn't require funding for all programs as outlined in the ARRA. **Mr. Headlee** indicated there had been some discussion, and that a lot of this action was already taking place. **Chairman Goedde** also stated that the legislature would have a better idea of what was going on after Superintendent Luna returned from Washington, D.C.

Mr. Freeman explained the $53,524,300 as outlined on slide 21 would be directed towards post-secondary Education, and would include colleges and universities, community colleges and professional-technical institutions. What wouldn't be in there, for example, would be some of the "special programs," as embedded in the institutions.

Mr. Freeman indicated the intent of the act is for the funds to come quickly. The goal is to get half of the funds to the states within forty days, then the rest within six months, conditional on the comprehensive reform plans. **Mr. Headlee** and **Mr. Freeman** indicated they don't know what that plan looks like, but that there is a litany of things indicating the intent, but there is no language in the act or the conference report, leaving things a bit of a mystery. The last slide is a recap of major funding by title, and some additional information.

Chairman Goedde inquired if any grant and research money will come through the EPSCOR program, which **Mr. Freeman** stated he did not know for sure. **Chairman Goedde** also inquired about impact aid for tribal schools, asking if this would be an opportunity to make repairs on schools that are falling apart. **Mr. Headlee** stated he would have to get back to the committee with that answer.

With no further questions for **Mr. Headlee** or **Mr. Freeman**, **Chairman Goedde** opened the floor for discussion on what would be recommended to JFAC

The general consensus of the committee was that the committee should make objective, policy-oriented recommendations to JFAC versus line-item ones. In aligning with Superintendent Luna, the committee would also recommend that JFAC do as much as possible with the budget to hold harmless teachers and students. Ultimately FY 2009 would be ok, but the committee needs to consider what FY 2010 and FY 2011 will look like when considering its cuts. In considering the cuts of programs such as early retirement, the legislature also needs to take into account that where the IEA's study is based on an analysis over a period of time, Tim Hill's analysis is based on a year. Such differences in observation can make or break an analysis, as they can project different savings/expenditures over a shorter or longer period of time. It is recommended that the legislature also consider the ISDA recommendation an emergency clause for 33-515 be implemented, allowing temporary negotiations on teacher contracts to preserve teacher numbers versus salaries. It would also recommend considering IASA recommendations in considering what non-statutory programs the legislature would be comfortable cutting if it came down to that.

With no further business, **Chairman Goedde** adjourned the meeting at 5:00 P.M.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	February 25, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	
NOTE:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*
CONVENED:	**Chairman Goedde** called the meeting to order at 3:03 p.m.
H 79:	**Representative Ringo**, District 6, presented **H 79**, relating to Charter School admissions. She stated that the purpose of this legislation is to amend Section 33-5205, Idaho Code, to give charter schools the option of awarding an enhanced enrollment opportunity to children of certain employees and to certain returning students, and to make a technical correction. Employees of Charter Schools can be enthusiastic about the program, and want their own children involved. The bill also provides consideration for reentry for children in families that have left the community for a period of time for such things as academic sabbatical or military assignment. **Representative Ringo** stated that it is desirable to have a process that avoids handpicking the student body. She stated that under current law, if initial capacity is insufficient to enroll all pupils who submit a timely application, then the admission procedures may provide that preference shall be given in the following order: (1) children of founders, provided that this admission preference shall be limited to not more than ten percent of the capacity of the school; (2) siblings of pupils already selected; and (3) all other applications will move to an equitable selection process such as by lottery or other random method. If capacity is insufficient to enroll all pupils for subsequent school terms, then the admission procedures may provide that preference shall be given in the following order: (1) pupils returning to the school; (2) children of founders, provided that this admission preference shall be limited to not more than ten percent of the capacity of the school; (3) siblings of pupils already enrolled; and (4) all other applications will move to an equitable selection process such as by lottery or other random method.

Represenative Ringo advised that under this proposed change, if so stated in its petition, a public charter school may include the children of employees of the school within the category allowing preference for children of founders, subject to the ten percent limitation, or may give preference to children of employees of the school after siblings, but before the random group. The second change would apply to subsequent school terms. It provides that if so stated in its petition, a public charter school may include children who have withdrawn from the school within the previous three school years, as a result of the relocation of a parent or guardian due to an academic sabbatical, employer or military transfer or reassignment, and now wish to return to the school. Those students may be included within the category allowing preference for children of founders, subject to the ten percent limitation. Or, the school may give this group of applicants preference after siblings but before the random group.

In response to questions, **Representative Ringo** stated that should applications in the founder category exceed the limitation, the applicant would be moved to the next category which applies. In response to concerns that this change might exacerbate the preference issue, she stated that the ten percent limitation should not noticeably affect the mix of students. She stated that those charter schools who have contacted her are quite enthusiastic about this opportunity. In one instance, the school felt it was a recruitment tool for them to be able to recruit a teacher/parent if they could at least give some assurance that there would be better than a random chance that a teacher's child would be able to attend the school.

Representative Ringo stated that under the proposed bill, there would be no priority between the founder's children and children of employees, if the school chooses to place children of employees in that category. In response to further questions related to the definition of an employee and what would happen if an employee's child is given preference and the employee leaves the school, she stated that to her knowledge there is no specific definition of "employee" as it relates to this bill and it could be defined as anyone who is paid by the district. She stated that if an employee leaves the school, any child of that employee then attending the school would fall into the category of returning student.

Chairman Goedde asked for the assistance of **Tamara Baysinger**. Charter Schools Program Manager, State Board of Education, for some technical advice on the definition of "employee." **Ms. Baysinger** advised that she did not believe "employee" is defined in Title 52. The committee discussed the possibility of improving the bill by stating "full time employee."

In response to a question related to whether the original group of the founder's children would be moved each year allowing for an additional ten percent in that group each year. **Representative Ringo** stated it is her understanding that in subsequent years the

first priority group becomes children who are returning students and that opens up the founders category again, subject to the ten percent limitation.

Chairman Goedde asked **Ms. Basyinger** how the Charter School Commission looks at this situation. She stated she was not speaking for the Commission, but from her experience, this is a grey area. The Commission has taken the policy that it was not the intent to add ten percent of the school capacity in founders children each year. She stated, with very large families, you could eventually have a charter school consisting of all founders children.

In response to a question on how the Commission monitors compliance with the statute, **Ms. Baysinger** responded that there are annual site visits where lottery records are examined, and often someone from the Commission attends lotteries, particularly the first ones. She also stated that parents interested in the school watch those practices closely.

The committee discussed the possible amendment of this bill to clarify the concerns raised. **Representative Ringo** stated she would not have an objection. **Ms. Baysinger** stated that it is something that needs to be done because different schools have interpreted the law differently, and it needs to be clarified. She stated that she was speaking only as staff and could not express the Commission's opinion on this. She felt that the changes discussed could be considered pretty significant by some schools.

MOTION: **Senator Schroeder** made a motion, seconded by **Senator Winder**, to send **H 79** to the 14th Order for amendment. The motion carried by voice vote. **Senators Sagness** and **Kelly** requested their "Nay" votes be recorded.

RECOGNITION: **Chairman Goedde** introduced **Superintendent Keen** from Coeur d'Alene, Idaho, and congratulated him on his selection as Superintendent of the Year by the Idaho State Superintendent's Association.

S 1078: **Tracie Bent**, Policy, Planning & Human Resource Officer, State Board of Education**,** presented **S 1078**, revising provisions relating to the correction or alteration of school district boundaries. Procedures presently outlined are varied, vague, and are not aligned to each other. This legislation will provide for consistency in the procedures the State Board of Education must take after a proposal for district consolidation, deconsolidation, or boundary changes is approved by voters.

MOTION: **Senator Mortimer** made a motion, seconded by **Senator Winder,** to send **S 1078** to the floor with a do pass recommendation.

Ms. Bent provided the committee with an outline of the changes contained in **S 1078** (attachment #1), and the committee requested time to review the outline. To allow time for review and the agenda

to continue, **Senator Mortimer** withdrew his motion and **Senator Winder** consented.

Chairman Goedde passed the gavel to **Vice Chairman Mortimer** to allow him to present the next agenda item.

S 1121

Chairman Goedde, District 4, presented **S 1121**, relating to public charter schools. Under current code, virtual charter schools are granted their charters from the Idaho Public Charter School Commission with no input from local districts which are affected. This bill requires the Commission to notify the district in which the charter has a physical presence as well as other districts within their primary attendance area should that area be five or fewer districts. Further, districts that are notified are allowed to present testimony concerning such a petition at the Charter Commission hearing.

In response to questions, **Chairman Goedde** described a situation where representations made in the petition may not have been totally accurate, and the local district did not have an opportunity to participate in the hearing. He explained the limitation of five or fewer districts, stating that a proposed virtual school, whose primary attendance boundaries are greater than five, probably will not have a lot of fiscal impact on the districts within its attendance boundaries. He also stated the authorization process does not change.

MOTION:

Senator Schroeder made a motion, seconded by **Senator Andreason** that **S 1121** be sent to the floor with a do pass recommendation. The motion carried by **voice vote**. **Chairman Goedde** will sponsor on the floor.

Vice Chairman Mortimer returned the gavel to **Chairman Goedde**.

S 1078

The committee returned to consideration of **S 1078**. When asked if there is history in the last two years driving this change, **Ms. Bent** advised that there have been two instances where changes were passed by local voters and the proper taxing authorities were not notified to change boundary descriptions. This legislation simply identifies who is responsible for that communication. She further advised that the language had been thoroughly reviewed by the Deputy Attorney General.

MOTION:

Senator Mortimer made a motion, seconded by **Senator Winder**, that **S 1078** be sent to the floor with a do pass recommendation. The Motion carried by **voice vote**. **Chairman Goedde** will sponsor the bill on the floor.

Chairman Goedde passed the gavel to **Vice Chairman Mortimer** to allow him to present the next agenda item.

RS 18752

Chairman Goedde presented **RS 18752**, a Senate Concurrent Resolution urging the United States Congress to provide additional financing opportunities to fund more medical residencies in Idaho.

In response to questions of the committee, **Chairman Goedde** stated that this resolution is designed to support increased residency programs in the State whether they are awarded to WAMI graduates or to graduates of other medical institutions. Regarding the effect the Stimulus Package might have on the residency programs, he stated if money is available, it might be possible to increase existing residencies. He does not believe new residency programs could be established with one time money.

MOTION: **Senator Schroeder** made a motion, seconded by **Senator Kelly**, to send **RS 18752** to a privileged committee for printing. The motion carried by unanimous **voice vote.**

ADJOURNMENT: **Vice Chairman Mortimer** returned the gavel to **Chairman Goedde** who adjourned the meeting at 4:04 p.m.

Senator John Goedde
Chairman

Sara Pealy
Secretary

Lois Bencken
Assistant Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	March 2, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Andreason
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes, in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:15 P.M. He requested the secretary take a silent roll.

H 57: **Chairman Goedde** welcomed **Representative Mack Shirley** to the podium to present **H 57**. **Representative Shirley** indicated this legislation was a follow-up to legislation passed during the 2008 Legislative Session, allowing the Idaho Digital Learning Academy (IDLA) to become an independent governmental entity. This legislation would allow the IDLA to expand its offerings into elementary education as well as secondary education, and would be retroactive to July 1, 2008.

Changes to **H 57** also include defining employees of the IDLA as "public school employees." Doing so will preserve benefits they already had as employees, such as sick leave benefits and severance allowances, but were not defined under the 2008 legislation. Finally, elementary and secondary principals can be included on the academy board of directors versus exclusively secondary principals. **Representative Shirley** additionally noted this legislation has the full support of the Public Employee Retirement System of Idaho, the Idaho School Administrators Association, and the State School Board Association.

Senator Sagness requested clarification that this legislation was to codify actions already taking place, and this was why there would be no fiscal impact. **Representative Shirley** affirmed this was the case.

Senator Winder inquired if this was retroactive to people who had left IDLA employment between July 1, 2008 and the impact date. **Dr. Donna Hutchison**, Director of the IDLA, indicated this would be retroactive, but none of the employees who had left were in the retirement system. As such, they would not qualify for the retroactive benefits. In response to questioning by **Vice Chairman Mortimer**, **Dr. Hutchison** indicated that

part-time employees have no benefits associated with working for the IDLA other than having their Social Security taxes paid.

MOTION: **Senator Sagness** moved to send **H 57** to the floor with a do pass recommendation. The motion was seconded by **Senator Pearce**. It carried by voice vote. **Senator Sagness** will be the sponsor of the bill.

H 78: **Chairman Goedde** welcomed **Representative Liz Chavez** to present **H 78** to the committee. **Representative Chavez** stated the intent of the legislation was to amend Idaho Code 33-501 and 33-504. This would allow the board of trustees of a school district to appoint a person at-large to fill the unexpired term for any vacant trustee position which has been vacant for more than ninety days.

Previously if a board could not fill the vacant position from within the zone in which the vacancy occurred, it fell to the county commissioners to fill the vacancy. Instead, this would allow an at-large person from within the school district boundaries to serve for the vacant zone, rather than solely being from that zone.

Senator Fulcher inquired how this person was selected. **Karen Echeverria**, with the Idaho School Boards Association, indicated this would be based on a majority vote of those present at a meeting for the affected school board.

Vice Chairman Mortimer expressed concern over the possibility that if a person resigned their post amid a controversial decision, the board could "stack" itself by appointing a like-minded person. **Representative Chavez** indicated she had approached this legislation with the same question in mind. However, without being able to predict exactly what may or may not happen, this seems to be the best solution. Additionally, if the school board cannot appoint someone after 120 days, that ability to appoint an individual to the school board would be transferred back to the county commissioners.

MOTION: **Senator Schroeder** moved to send **H 78** to the floor with a do pass recommendation. The motion was seconded by **Senator Winder**. It carried by voice vote, with **Vice Chairman Mortimer** voting nay. **Senator Schroeder** will be the sponsor of the bill.

MOTION: **Senator Kelly** moved to approve the committee minutes from February 2, 2009; February 3, 2009; February 4, 2009; and February 5, 2009. The motion was seconded by **Senator Sagness**. It carried by voice vote.

With no further business of the committee, **Chairman Goedde** adjourned the meeting at 3:30 P.M.

Senator John Goedde Chairman	Sara Pealy Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	March 5, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	Senators Pearce and Fulcher
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes, in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:10 P.M. He requested the secretary take a silent roll.

PRESENTATION: **Chairman Goedde** welcomed **Superintendent Tom Luna** to the committee to present different scenarios as to how the state could apply American Recovery and Reinvestment Act (ARRA) funds to Idaho Education.

The ARRA would grant Idaho $246,577,000 to be used for Public Safety Initiatives (18.2%, or $44,977,000) and K-12/higher education (81.8%, or $201,700,000) for FY 2009, FY 2010 and FY 2011, in addition to $104,426,900 that would go towards Title I-A grants and Individuals with Disabilities Education Act (IDEA). **Superintendent Luna** indicated the state needs to focus on how to use the $201,700,000, and presented the State Department of Education's (SDE) recommendation, broken down by fiscal year. He also noted that the SDE would recommend keeping the Public Education Stabilization Fund whole, in the event funding came up short in the middle of a year.

For FY 2009, the SDE would suggest using $85,097,600 to keep the budget whole. This scenario would recommend using $47,352,900 for FY 2010, and $32,993,200 in FY 2011. During FY 2010, the SDE would recommend cutting the budget by $62,129,900, as **Superintendent Luna** outlined in his "10 Bad Ideas," which he presented to both the Education Committee and JFAC. However, in FY 2011 the education budget would still be $35,259,700 short.

Superintendent Luna also presented the alternative option that has been suggested by some, in which the budget would not be trimmed at all in FY 2010. The public school share of ARRA would be split evenly between FY 2009 and FY 2010, leaving the potential for a $145,882,800

shortfall in FY 2011.

Chairman Goedde indicated he would like assurance that the Superintendent would be getting information out on the secretaries' grants applications to parties who may be able to partake in the opportunity. **Superintendent Luna** explained the grants are to reward innovative ideas about ways to save money through education reform, and that he was very excited at the prospect of this pool of money being available.

Senator Sagness inquired as to how this has been vetted with the school districts**. Superintendent Luna** indicated what was seen before was a lot of communication and understanding, but once legislation started to move that would make these budget cuts possible, there was definitely concern voiced. The SDE has been voicing the understanding that even with stimulus the education budget will have to be cut.

Senator Sagness followed by asking if the SDE had considered the legal implications of getting into contract law? **Superintendent Luna** stated those discussions had started when the SDE first thought it may have to send less money to the districts. He also indicated that there was a need for legislation to prevent passing those financial burdens on to local districts, and that providing options will be key in reducing the likelihood of lawsuits.

At the request of **Senator Kelly**, **Superintendent Luna** explained the Title I and IDEA funds. He explained that this money comes as a result of existing agreements the State of Idaho has with the federal government. If the legislature decides it doesn't want to use that money for IDEA/Title I projects, then it can refrain from granting spending authority.

Senator Andreason inquired how this fit into minimizing the impact on student-teacher contact. **Superintendent Luna** indicated the priorities he has kept in place include maintaining student-teacher contact hours as well as maintaining the programs that get directly into the classroom and have the most immediate, positive effect on student achievement. Education can be trimmed $62 million while maintaining student-teacher contact hours. The cutting needs to be done strategically, otherwise cuts involving less money could be performed and have a greater negative impact. He stated that although he did not want to cut education, these are the areas he would suggest cutting from. If the legislature feels that more needs to be cut, he would recommend looking elsewhere.

Chairman Goedde addressed **Senator Kelly's** question about IDEA/Title I funds, indicating that there is a huge increase that will go towards the local education agencies. The IEA has proposed that half that money can be used to supplant funds now used, which will free general fund money at the local level to move into discretionary funds. However, he is still not sure that can be done. The second half of the issue is that the other 50% of the funds is then built into the base, so that in FY 2012, the State will be looking at a 50% increase in IDEA/Title I, with no guarantee the federal government will pick the increase up in

successive years.

Chairman Goedde also indicated he has asked questions about the report, including whether the legislature will be required to stay at that increased funding level in FY 2012. The IDEA money is sent to school districts based on special-needs populations rather than population in general, and one of the problems that would need to be addressed is how those funds would be distributed. At the questioning of **Senator Sagness, Chairman Goedde** indicated **Superintendent Luna** had worked to ensure all stakeholders were involved. However, even with the involvement of those stakeholders, many of those affected would not realize the extent to which the Superintendent had gone to cut only where necessary.

Vice Chairman Mortimer noted that JFAC feels there could be as much as a $30 million decline in the FY 2009 budget, and a $40 to $50 million decline in FY 2010 and FY 2011, which would reduce the start-point of the budget that much further.

S 1132: With no further discussion regarding **Superintendent Luna's** ARRA presentation, **Chairman Goedde** addressed **S 1132**. He indicated it had been printed as an RS in the Senate State Affairs committee, but had been erroneously referred to the Senate Education Committee. He requested and was granted unanimous consent to recommend the bill be sent to the Senate State Affairs Committee. At the questioning of **Senator Schroeder**, **Senator Kelly** noted that although the legislation would be more fitting in the Senate Education Committee, it had originated during the 2008 Legislative Session in the State Affairs Committee and for the sake of continuity it would be heard there again during the 2009 Legislative Session.

RS 18808: **Chairman Goedde** requested unanimous consent to send **RS 18808** to the Senate Judiciary and Rules committee for printing. He indicated it was to replace **RS 18752**, a concurrent resolution that was sent to print. However, it was subsequently realized this was not the correct legislative instrument, and **RS 18808** was drafted to correct this problem. The committee granted **Chairman Goedde** unanimous consent.

PRESENTATION: **Chairman Goedde** welcomed **Mary Dunne**, Superintendent for the Idaho School for the Deaf and Blind (ISDB), to present to the committee. **Ms. Dunne** indicated the ISDB serves nearly 1,100 students state-wide. Of those, 1,015 are through outreach programs and 79 are served at the state school in Gooding.

The ISDB has provided services for 145 children/families between birth and three years of age this year. These services include home visits, parent education, family activities/workshops and collaboration with other providers. Between ages three and five, there are services providing language, cognitive and social skills development, parental involvement and regional preschools. The school also offers workshops for staff, peers and families, as well as auditory/low-vision assessment.

Ms. Dunne noted that the ISDB recognizes it is not immune to the budgetary implications in tough fiscal times, and that it is trying to

support essential personnel and programs to the best of its ability. This includes making evidence-based decisions, increasing collaboration for efficiency and preparing tomorrow's citizens and workforce.

With nothing further, **Ms. Dunne** stood for questions. **Senator Winder** asked **Ms. Dunne** to explain what "cued" speech is. **Ms. Dunne** explained it is a speech-reading and hand-shape system that allows children to differentiate between words that look the same on the lips by the hand shape indicated.

Chairman Goedde inquired if the ISDB was the first line for diagnosis of hearing or vision loss. **Ms. Dunne** indicated that generally it is a child's physician who is the first to determine such loss, and the ISDB is next when it comes to teaching children how to live with their impairment.

Senator Sagness inquired about the method by which it is determined where children are treated. **Ms. Dunne** stated there are many indicators: severity of the impairment, how well a child's local school district is equipped to educate the student, and how well equipped a child's parents are to deal with the impairment.

Senator Kelly inquired if **Ms. Dunne** is supportive of S 1074, to which Ms. Dunne indicated she is. She stated that although the board has done a very good job, having a board dedicated strictly to the ISDB would be an asset to the school.

With no further business, **Chairman Goedde** adjourned the meeting at 4:15 P.M.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE: March 10, 2009

TIME: 3:00 p.m.

PLACE: Room 204

MEMBERS PRESENT: Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly

MEMBERS ABSENT/ EXCUSED:

GUESTS: *The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes, in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:00 P.M. He requested the secretary take a silent roll.

PRESENTATION: **Chairman Goedde** welcomed **Dr. Julie Bell**, Education Program Director for the National Conference of State Legislatures (NCSL), to the committee to present an overview of legislative issues faced by other state legislatures. Dr. Bell oversees the education group for NCSL, which tracks what state legislatures are doing regarding K-12 education, post-secondary, higher education, and post higher education.

Dr. Bell outlined the main issues facing other state legislatures. As expected, budget issues are dominating this year, with an estimated $50 billion cumulative gap nation-wide in education funding for FY 2009. It appears that in FY 2010, there will be another $84 billion cumulative budget gap, for a combined total of almost $135 billion budget gap for a two year period. Surveys are indicating that things should get better by the end of FY 2010, but she acknowledged this depends on who you're listening to. There are a handful of mineral-rich states, such as Texas, Wyoming and Montana, which are facing less funding problems than the rest of the nation.

The issues faced now come after several years of budget difficulties. States have already tapped the easy resources, or easy cuts, and those are now off the table. As a result they are turning to deeper cuts, which for many states means across the board cuts for K-12 education. This includes eliminating upcoming programs, afterschool programs, delaying programs that are scheduled to kick in, and holding the line on salaries. Typically K-12 has been immune from these types of cuts, but because of the nature of the budget right now that is no longer the case.

Higher education usually takes bigger cuts during tough budget years, and bigger increases during surplus years. Being a tough budget year, higher education is seeing more cuts across the board as well. This is being expressed in many ways, including tuition increases.

In the area of K-12 finance, there is a growing interest around this notion of efficiency and productivity. Many states have been hampered by the courts that have pushed equity and adequacy issues on legislatures, but this new economy has brought new conversation that focuses around efficiency. States are looking at student achievement and working their funding formula backwards from there.

One of the biggest issues facing higher education is how to get more degrees or certificates granted for what is being spent, or possibly even for less money. The educational system has been rewarded for enrollments rather than successful outcomes. Other issues include addressing demographic changes, where populations that have typically been the least successful in the education system are seeing the most change. As a result many legislatures are addressing this access to higher education, and successfully getting these students through the system.

Focusing on access, affordability and keeping financial aid and tuition at a level where students can find the money that they need are the three major higher-education issues states are working on right now.

“Human Capital” is a new buzzword in the K-12 education arena, referring to the people piece of education: the teachers and the principals. Research and experience have indicated that these players are crucial in making a difference in student outcomes.

Improving high school graduation rates and preventing dropouts is another area being focused on. In many instances dropout rates in districts and schools are much higher than anyone has expected, and districts are working on how to address this. Counselors, college prep coursework, and alternatives to the college path are all areas which have been focused on as professionals are working to reduce this number.

In the area of choice and flexibility there is a lot of information about charter schools, and new research indicates that states might want to address the roll they’ve given charter schools, the legislation they’ve enacted to support charter schools and whether said legislation is doing what it was intended to do.

Statewide data systems are also a hot issue. There is realization that states don’t know very much about how their students are doing as they move through the system, and what they know about the K-12 system they might not know about the higher education system. That is a link that’s needed to know how students are really doing through the education system. States are thinking a lot about what it would take to put this kind of system in place in an effort to realize what they need, where students are falling out of the system, and how to target policy to stop those leaks in the system.

Finally, states are concerning themselves with the Economic Stimulus Package. The administration is trying to get the money out the door as quickly as possible. As two year money, part of it is meant to fill in gaps where states have made cuts because of tough budgets. The other part is new money, where states are thinking about new initiatives.

There are a few issues that the new administration is talking about repeatedly that the NCSL is watching, including charter schools and human capital. There has also been discussion about national standards, and as an organization that promotes states rights the NCSL is very interested in watching where it proceeds. College affordability and how it fits back into economic development is another issue which has been talked about repeatedly, and it will be followed closely as well.

Senator Schroeder inquired what kind of interest the Federal Government has expressed in early childhood education, and whether it will be dedicating funds towards it. If so, will states be penalized if these programs do not exist in the future? **Dr. Bell** was unsure how a penalty would work for the future, but she indicated early childhood appears to be a clear interest of this administration. However, such programs look like different things in different states, and she is unsure how this relationship with the Federal Government will run its course.

Senator Sagness inquired about the handling of flexibility in the public schools. **Dr. Bell** indicated there is unease about the charter school experiment in many states, and whether the kind of innovation imagined has occurred. There are many options for what might be next, within the traditional system as well as the charter schools, such as incentives. She did indicate that accountability would certainly be necessary. **Senator Sagness** followed, inquiring how the NCSL is looking at bringing charter schools back to what they were originally intended to do. **Dr. Bell** indicated that conversation is just starting. The charter school experiment has been around long enough to judge what has worked versus what hasn't.

Senator Andreason inquired how the new administration is addressing the No Child Left Behind Act (NCLB) as compared to the previous, and where the nation is in regards to that issue specifically. **Dr. Bell** stated that the NCSL had been vocal from day one about its displeasure with the act, but as NCLB has played out the NCSL has worked to fix areas where the legislation has failed. Additionally, the NCSL has a task force working on this issue, and will be ready with recommendations when the issue is addressed by the new administration. It is believed that the new administration won't dump the legislation, but rather it will tweak it, and the NCSL is poised to make recommendations about that tweaking. **Senator Andreason** also inquired if the NCSL has taken a position on standardized tests. **Dr. Bell** indicated there are too many different assessments for too many different things, and the task force may or may not be addressing these issues.

Senator Pearce inquired if the NCSL has seen any good ideas or innovative ways to cut education less painfully and/or more effectively. **Dr. Bell** stated education is playing out in many different ways. States

are taking a long hard look at funding systems and thinking about if this is really what they want them to be doing, what they're asking schools to do, and looking at the structure set up for the outcome in education, as well as the productivity of the system. Higher education discussion has included talk about overlapping degrees and programs, or programs that are not being used by many students. **Senator Pearce** followed by inquiring about the involvement of the federal government in higher education and whether this is something the NCSL foresees the new administration pushing. **Dr. Bell** indicated the previous administration had expressed interest in involvement in higher education, but its big issue is affordability.

In response to questioning by **Senator Sagness, Dr. Bell** indicated productivity and efficiency thinking would have to exist for states to develop ways to keep costs down.

With no further questions from the committee, **Chairman Goedde** thanked **Dr. Bell** and welcomed Gayle O'Donahue to the committee to introduce herself for her appointment to the Charter School Commission.

GUBERNATORIAL APPOINTMENT HEARING:

Ms. O'Donahue indicated her involvement in educational choice began when her daughter was young. She and her husband felt that charter schools were a good option, which led to her helping to found a charter school in her community. She has been involved since then, including working for, and working on the board of different charter schools.

Senator Kelly inquired about the nature of **Ms. O'Donahue's** work at Liberty Charter School, Victory Charter School and Northwest Nazarene University (NNU). **Ms. O'Donahue** indicated her work for NNU is on an as-needed basis, but that she is employed full-time by both charter schools. **Senator Kelly** followed by asking if each school was paying her a full-time salary, which **Ms. O'Donahue** replied she would have to check with the State Department of Education (SDE), but that she is being paid according to SDE standards.

Senator Sagness requested **Ms. O'Donahue** explain what she saw as her role on the commission. **Ms. O'Donahue** indicated that much of what she does is reviewing and ensuring the quality of petitions that come before the commission. Beyond that she feels that each commissioner has an area of expertise, and for her, she feels her area is more in the realm of day-to-day operations. **Senator Sagness** inquired about the amount of direct oversight she has as a member of the commission. **Ms. O'Donahue** indicated that once a school is operating, the charter school representatives have a responsibility to come before the commission to present an annual report of fiscal soundness, program operations, student achievement and the like. The commission staff visits the charter school, and if there is any concern the school is asked to come before the commission to present on those areas. Issues are addressed on an as-needed basis.

Senator Pearce inquired if charter schools in the state of Idaho can hold steady at current levels, and what **Ms. O'Donahue** can do for her

part to help maintain that level. **Ms. O'Donahue** stated she hears repeatedly that the commission wants to put forth quality schools, and encouraging those quality schools is where the commission can do the most to maintain current charter school levels.

Senator Winder inquired if **Ms. O'Donahue** receives any payment for her work on the commission, to which **Ms. O'Donahue** replied no.

Senator Sagness asked **Ms. O'Donahue** to elaborate on the issue of demographics in terms of socioeconomic levels, and how this may be dealt with. **Ms. O'Donahue** indicated that the longer schools of choice operate in an area, the more the word gets out about these schools, and the more they become an option to people.

Chairman Goedde indicted there is a growing number of hybrid schools (bricks and mortar/virtual), and inquired if the commission would be giving the legislature direction on how to identify a virtual versus a hybrid, as well as how to fund them. **Ms. O'Donahue** indicated this has not been brought before the commission, but that it recognizes it as an issue which will hopefully be addressed. **Chairman Goedde** followed by asking if **Ms. O'Donahue** foresaw the commission giving the legislature advice as to how to refine and improve the funding formula for these hybrid schools. **Ms. O'Donahue** indicated the current funding formula was a response to an issue present when these schools were first developed, but as the discussion is evolving she hopes the commission will address it.

Senator Schroeder inquired how far apart Victory Charter School and Liberty Charter School are, as well as how many staff are shared between the two, and what **Ms. O'Donahue's** combined salary for the two schools was. **Ms. O'Donahue** stated the schools are located next-door to each other, and they share three or four staff members. She indicated her combined salary is approximately $70,000 per year.

Senator Kelly asked if **Ms. O'Donahue** was receiving the per-diem allowance for commission members. **Ms. O'Donahue** indicated she was eligible to, however she had not filled out the paperwork. **Senator Kelly** also inquired how **Ms. O'Donahue** would handle the issue of financial reports and audits of the two schools she is presently employed by. **Ms. O'Donahue** indicated that she had made the Governor's office and the commission aware of her ties to these schools, and that it was her intention to recues herself when these schools were brought before the commission. **Senator Kelly** followed by inquiring if **Ms. O'Donahue** had any other financial ties that may be affected by her appointment to the commission. **Ms. O'Donahue** indicated that other than her employment and her husband's part-time position as golf coach—for which they get minimal compensation—she had no financial ties that would be affected by her appointment.

With no further questions from the committee, **Chairman Goedde** thanked **Ms. O'Donahue** and indicated the committee would be voting on her appointment at a later date.

GUBERNATORIAL APPOINTMENT HEARING:

Chairman Goedde welcomed **Gayann DeMordaunt** to the committee for her Gubernatorial Appointment Hearing. **Ms. DeMordaunt** indicated this she is up for reappointment to the Public Charter School Commission. She has taught in the largest school district in Utah, overseas, as well as English as a Second Language. She has children in both traditional and public schools in addition to being a former Parent-Teacher Organization president, as well as being a founder of the North Star Charter School in Eagle, all of which have helped keep her plugged into education.

Senator Kelly inquired if **Ms. DeMordaunt** has been able to regularly attend board meetings in the two years she has been on the commission. **Ms. DeMordaunt** indicated she has attended as many meetings as possible, although she has missed a few because of conflicts. She also noted for the benefit of **Senator Kelly** that she was elected as a precinct committeeman, and she has answered "no" to questions four through nine on the Senate confirmation application, which pertain to criminal background and conflicts of interest. At the request of **Senator Schroeder**, she noted that her appointment as a precinct committeeman was by the Republican Party.

Senator Sagness inquired what **Ms. DeMordaunt** felt her primary role on the commission was. **Ms. DeMordaunt** indicated she felt that it was her duty on the commission to ensure that petitioners meet all the requirements in the state. She would hope that the commission would be able to look at the statute and reflect what the legislature has put forth as such. **Senator Sagness** followed by inquiring whether **Ms. DeMordaunt** believes it is more effective to have charter schools chartered by Local Education Agencies (LEAs) or by the commission. **Ms. DeMordaunt** stated that although both models do an adequate job, she feels that schools chartered by the commission have more oversight than those chartered by LEAs.

Chairman Goedde again indicated the growing number of hybrid schools, and inquired of **Ms. DeMordaunt's** view of how these should be addressed. **Ms. DeMordaunt** indicated that there is more attention being paid to this issue nationally, and although it has not been addressed directly in the State, that it is a discussion the commission should be having.

At the questioning of **Senator Kelly**, **Ms. DeMordaunt** stated that although she is a founder of North Star Charter School, she no longer serves on the board there, and is not employed at the school. **Senator Kelly** followed by asking how she would respond if North Star were to come before the commission? **Ms. DeMordaunt** indicated that because North Star Charter School is chartered by the LEA, it would not come before the commission unless it chose to change its authorizing agency.

With no further questions from the committee, **Chairman Goedde** thanked **Ms. DeMordaunt** and indicated the committee would be voting on her appointment at a later date.

H 193:

Chairman Goedde welcomed **Representative Richard Wills** to

present **H 193** to the committee. He indicated that in the event a school district were to lapse in student attendance numbers, but that in subsequent years the district would make minimum student requirements, a hearing officer would be allowed to make a judgment call as to whether or not the district should lapse or if it should be allowed to operate as-is for another year. **Senator Bert Brackett** stated that this would only affect a small number of remote schools, and that it gives discretion where current law is mandatory. He also stated for the benefit of **Senator Schroeder** that this would merge a lapsed district with an adjacent district.

MOTION: **Senator Sagness** moved to send H 193 to the floor with a do pass recommendation. The motion was seconded by **Senator Fulcher**. The motion carried by voice vote.

With no further business of the committee, **Chairman Goedde** adjourned the meeting at 4:25 P.M.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	March 11, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Fulcher
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes, in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:05 P.M. He requested the secretary take a silent roll. He informed the committee it would be hearing from **Marybeth Flachbart**, Deputy Superintendent for Student Achievement at the State Department of Education (SDE), on the use of Individuals with Disabilities Education Act (IDEA) and Title I-A funds as distributed through the American Recovery and Reinvestment Act (ARRA).

PRESENTATION: **Ms. Flachbart** presented a handout to the committee (attachment 1) and indicated the IDEA and Title I-A programs are scheduled to receive a one-time allocation funding from the ARRA. She stated there is some concern that districts are going to use the funds to maintain jobs, and then be in the position to dip in to General Funds to maintain those jobs in two years when the funds run out. Half of the funds are scheduled to be transferred by the end of March; however the State will have to apply for the rest of the funds if it would like to receive them. Districts will receive the money by May at the latest, and will have until September 30, 2011 to utilize them.

There has been a lot talk that states will have a great deal of say in how the funds can be used by districts. In actuality, either the Elementary and Secondary Education Act (ESEA) or No Child Left Behind (NCLB) allow for funds to be use a certain way. The State cannot limit the use. The only place where the state can be prescriptive is there are some additional funds that are eligible for the state for school improvement. Idaho can do competitive grants with these funds for schools that will have the biggest challenge meeting Adequate Yearly Progress (AYP), and dictate the usage of these funds once granted. However, as long as districts are spending IDEA or Title I-A funds within the letter of the law, the State cannot control usage.

In response to questioning by **Chairman Goedde**, **Ms. Flachbart** indicated all of the money received will go to Local Education Agencies (LEA). However, only half of it will be available as of March 30, 2009. The remaining money will be issued only after the SDE agrees to assurances regarding it's usage as outlined by the Federal Government.

Senator Kelly inquired about **Ms. Flachbart's** initial premise, that the SDE does not want monies received to go towards filling in personnel costs. **Ms. Flachbart** indicated this stems from a concern that in two years, supposing Idaho faces a worst-case scenario and is back in this same predicament, it will have to address this issue then. As these are one-time funds, the districts need to be very careful about how they use them. **Chairman Goedde** clarified **Ms. Flachbart's** statement for the committee that preserving existing jobs is one thing, but taking ARRA money and creating new jobs and programs is an irresponsible use of that money. His personal opinion is that the ARRA money would be well-spent preserving existing jobs, but it would not be well-spent expanding programs. **Ms. Flachbart** echoed this sentiment, but also reiterated that these decisions are made at the LEA level, and while the SDE can advise the use, it cannot mandate the application of those funds.

Vice Chairman Mortimer inquired about eligibility of Idaho schools for Title I-A funds. **Ms. Flachbart** indicated approximately 95% of Idaho districts meet eligibility for these funds, although probably less than half of individual Idaho schools meet this eligibility standard. It would be the individual schools themselves who qualified for the funds that would receive them. However, the SDE will be counseling districts to apply these funds to district-wide programs for at-risk students that will benefit all of the schools. Title I-A schools will be receiving their standard allotment plus a two-thirds equivalent of that, effectively superfunding these schools. She also reiterated that the 50% will come from the ARRA funding of $34.9 million.

Senator Andreason asked **Ms. Flachbart** to provide information as to where this percentage requirement comes from. **Ms. Flachbart** indicated it is written in federal code, and that the states can actually go down to 35%. However, because this much money has not been previously available the discussion to drop to that level has not yet occurred, though it is on the agenda.

Senator Sagness inquired as to how much of current Title I-A funds are used to support early childhood education. **Ms. Flachbart** stated she believes there are only 17 school districts currently using Title I-A funds to support early childhood education, and although there is no legislative requirement of such use, it is strongly recommended. **Senator Sagness** followed by inquiring if there has been an increase in early childhood education funding in Idaho through Title I-A funds thus far, and if not whether this funding could occur with the ARRA money received. **Ms. Flachbart** indicated that Idaho has not seen early childhood education funding through current Title I-A funds, but it was conceivable. Current K-12 programs are stretched financially as it is however, so she does not see that happening.

Chairman Goedde indicated districts are using their discretionary fund money to supplement the IDEA funds they are receiving from the federal government. On this note he inquired if the ARRA money would be allowed to supplant General Fund dollars. **Ms. Flachbart** indicated that with ARRA money districts would be allowed to supplant an additional 50% of their current total expenditures. In theory the federal government is supposed to pay up to 40% of the cost of educating special needs children, but in Idaho it has never spent more than about 23%. There is a hope however that by accepting this money, the state will continue to receive some federal funding once the money goes away in 2011.

Ms. Flachbart indicated that the SDE is trying to finalize its list right now, but at current does not have all the federal direction it would like in terms of possible uses for this money. **Senator Kelly** inquired as to why early childhood education is not on **Ms. Flachbart's** list of proposed uses for the money, to which **Ms. Flachbart** replied the SDE recognizes this is an issue that resides at the community level, in addition to the fact that endorsing early childhood education would mean moving the age of enrollment in schools from five to four, or possibly even earlier. This is legislation that has passed through the Senate, but got caught up in the House.

Senator Kelly inquired if the State is currently spending General Fund money on the programs on the list provided. **Ms. Flachbart** stated the list is comprised of things which are emphasized by the US Department of Education, or are things which exist in recent times in Department of Education activities. Everything on the list is an allowable expenditure under Title I-A. The ARRA funds can be used to jump-start the programs, and the cost to maintain these programs over time may be less. School program improvements typically take three to five years to establish. The list provided is made up of programs for which the department has a current funding stream which could support them beyond the two years they will be supported by the ARRA.

Senator Winder inquired whether the legislature has the discretion to not start new programs, and instead apply these funds to protect jobs. **Ms. Flachbart** stated these jobs already exist, and it was her personal opinion that these funds be invested in professional development.

Ms. Flachbart stated there is a lot of information supporting professional learning communities. These are groups of educators coming together to look at data and making instructional decisions. **Ms. Flachbart** would recommend taking a block of time to brainstorm what would be the best use of funds. She would also emphasize that all of these funds are flow-through funds that will go straight to districts. The only money the State can be prescriptive about is the $10 million which come through the Idaho Building Capacity Project for building improvements. Otherwise, if it's an allowable expenditure under either program, the State has to allow the districts to use it in such a way.

Senator Kelly inquired where the money for the Idaho Building Capacity Project would be coming from. **Ms. Flachbart** indicated it would be awarded through a grant process, and although it is possible that Idaho

is grandfathered in, the State may have to apply for it. **Senator Kelly** followed by asking about the discrepancies between the numbers provided by **Superintendent Luna** and the numbers **Ms. Flachbart** had provided. **Ms. Flachbart** indicated the numbers she has provided are for the current funding level. She stated the numbers provided by **Superintendent Luna** are correct, but because the money is not in the bank she did not want to reference them.

Senator Sagness indicated the SDE has shown leadership regarding other programs, and inquired as to why it hasn't advocated studies of early childhood learning. **Ms. Flachbart** indicated there is a definite interest in early childhood development, but it is the methodology that is holding the SDE back. The SDE is waiting on clarity from other policy makers before it takes the next step.

Senator Winder wanted to know if applying funds towards early childhood development would take money away from traditional schooling. **Ms. Flachbart** indicated that money traditionally applied towards intervention programs would now be directed towards early childhood development, but at the same time, school districts are allowed to set aside up to 15% of funds for early intervention services. This could mean intervening early in the school year, or intervening early in a child's education, possibly before a child gets to school.

Chairman Goedde welcomed **Karen Echeverria**, with the Idaho School Boards Association, to the committee. **Ms. Echeverria** indicated she has done a small survey to see if districts are supplementing their Title I-A and IDEA funds with General Funds, which was affirmed. She also stated that where the Federal government was to have provided 40% of the funding for every pupil that is funded through IDEA, but current funding is approximately 17%. The additional 23% is being funded out of the General Fund, which indicates this money is sorely needed to make up that difference. Although she recognizes the apprehension of applying temporary funds to these areas, **Ms. Echeverria** indicated it is necessary to bring these programs up to speed.

Chairman Goedde asked for clarification that these federal funds can be used to take the place of what districts are now using in General Fund money to maintain programs, not necessarily expand them. **Ms. Echeverria** affirmed this.

Vice Chairman Mortimer requested a dollar amount for what can be supplemented for State IDEA funds. **Ms. Echeverria** deferred to **Lester Wyer**, the Funding and Fiscal Accountability Coordinator for IDEA in Idaho. The ARRA funds in IDEA will amount to approximately $55 million above and beyond what is already received. Under IDEA law, districts are allowed to offset General Fund expenditures with any increase with 50% of any increase in IDEA funding from one year to the next. He also pointed out that the number in Idaho is actually more like 25%, rather than the 17% estimated.

Vice Chairman Mortimer followed by asking if all $27.5 million could be used to replace General Fund money in one year and still not exceed the

40%. **Mr. Wyer** stated that was possible, although it is not something that can be prescribed to a district. **Chairman Goedde** questioned whether the SDE is confident that districts are currently spending $27 million to supplement IDEA money. **Mr. Wyer** indicated that during FY 2008, districts spent $207 million on IDEA programs; of that, $53 million was federal money.

DISCUSSION: With no further questions or comments, **Chairman Goedde** indicated that in their folders the committee had suggestions for the Joint Legislative Oversight Committee (JLOC) for further studies by the Office of Performance Evaluation (OPE). **Senator Schroeder** indicated he would like a study of the number of students who have to stay at an institution because they are missing a course required for graduation. **Chairman Goedde** stated he would include this in his letter to JLOC.

MOTION: **Vice Chairman Mortimer** moved to approve the minutes from February 9, 2009, February 10, 2009, and February 11, 2009. The motion was seconded by **Senator Winder**. It carried by voice vote.

With no further business of the committee, **Chairman Goedde** adjourned at 4:00 P.M.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	March 17, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Andreason
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes, in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:00. He asked the secretary take a silent roll.
GUBERNATORIAL APPOINTMENT HEARING:	**Chairman Goedde** welcomed **Dr. William Goesling** to the committee for his Gubernatorial Appointment Hearing in regards to his appointment to the Public Charter School Commission. **Dr. Goesling** stated for the committee that he has a Bachelors degree in Chemical Engineering, a Masters degree in Mechanical Engineering, a Masters degree in Weapons Systems Acquisition and a Ph.D. in Education. This is his fourth year on the commission. He spent 26 years as a Navy pilot. **Senator Kelly** inquired if **Dr. Goesling** has been able to attend all charter school meetings since he has been on the commission, which **Dr. Goesling** replied yes, he has. **Vice Chairman Mortimer** requested **Dr. Goesling** give his opinion about the outlook and toughest issues facing charter schools. **Dr. Goesling** indicated that as a commission, there are basically three components which they have to look at in charter petitions as they come in. First, the commission reviews how charters meet quality of education, budgeting and leadership. The second component is the ongoing process of charter review. The most challenging component he sees is how to you take successes in charter schools and bring them back into traditional schools. **Vice Chairman Mortimer** inquired what **Dr. Goesling** saw as some of the biggest challenges facing charter schools today. **Dr. Goesling** indicated he sees the funding issue as the biggest challenge faced thus far. Another challenge may be that the core board of directors that heads up charters typically moves on after their children are out of the educational institution, and maintaining a sense of stability throughout that board should be a necessity.

Senator Winder inquired what **Dr. Goesling** does now, and whether he saw any potential personal conflicts. **Dr. Goesling** stated he is a financial consultant and owns a ranch, as well as teaches part-time at the University of Idaho. He foresees no conflicts of interest with any of these positions.

Senator Pearce indicated the State of Idaho has put a cap on charter schools, but the new presidential administration has suggested this is not the route to go. Noting this background, S**enator Pearce** asked if **Dr. Goesling** would state his opinion on the matter. **Dr. Goesling** stated there are pros and cons to both options, but ultimately, charter schools need to be looked at in terms of their success. Too rapid expansion of charter schools will exhaust funds for the State, and while he would like to see expansion of the charter program, the schools need to walk the walk first.

Senator Sagness inquired how involved the board is in the direct policy-making process, and how it utilizes the skill-sets brought to the table by board members. **Dr. Goesling** stated that the board tries to go through the applications, looking at the strength of each application, and identifies the strength of each board member. If a problem cannot be directly addressed by the board, **Dr. Goesling** contacts the State Board of Education for guidance. Areas of confusion which cannot be spelled out are brought before the Legislature.

Senator Sagness inquired about how much attention the charter schools really pay to the case a traditional school makes regarding the impact of a charter on that school. **Dr. Goesling** indicated that is a difficult question to answer, as the commission does not really have any legislative directive as to how to address this. However, it is his opinion that the local school boards should be the governing agencies so they know exactly what is going on. However, **Dr. Goesling** indicated the commission does encourage charter schools and the districts in which they reside to consider the impact.

Senator Sagness asked if **Dr. Goesling** thought direction provided by the legislature would be helpful in determining the potential impact on a district. **Dr. Goesling** indicated it such action would encourage school districts to take a bigger interest in the establishment of charter schools, and it would also encourage charter schools to consider the impact they will have on the surrounding districts.

Senator Winder inquired about what happens to the funding of traditional schools after a student is gone for one year, and whether the funding equals out. **Dr. Goesling** indicated this is precisely why the commission requires a first, second and third year budget from proposed charter schools. There has also been some indication that charter schools have brought home-schooled children back into the process system.

Senator Schroeder inquired if the quality of petitions has improved. **Dr. Goesling** indicated it had, stating **Tamara Baysinger**, Program Manager for the Public Charter School Commission, has played a

tremendous roll in making this happen. The commission has developed an outline of what it wants, which gives board members guidelines as to how to go about accepting petitions. **Senator Schroeder** followed by asking if **Dr. Goesling** felt the commission could do better as an independent agency as opposed to one governed by the State Board of Education. **Dr. Goesling** indicated being governed by the SBE helps keep commission costs and size down. In response to further questioning by **Senator Schroeder**, **Dr. Goesling** also indicated that it is possible for unsuccessful charter schools to hurt local districts, especially when the lines between the schools are blurred by coinciding interests of an individual or individuals. In such a case, the best way to straighten out this situation is to open lines of communication and encourage parties to work together.

Senator Sagness indicated there has been continuing talk of consolidating school districts, and inquired if it could be possible within the framework of school consolidation to have the issue looked at in terms of charter schools and traditional public schools. **Dr. Goesling** stated the commission has done just that, starting with bringing in presentations from outside sources to talk about differences in the educational process. Specifically, one issue that has been addressed is virtual schools. If a virtual charter school can provide a service which another virtual school cannot, it is granted a charter. The most recent petition involved a charter school which catered to students of a specific demographic.

With no further questions for **Dr. Goesling**, **Chairman Goedde** thanked him for his time, and indicated to the committee that it was to vote on the confirmation of **Gayle L. O'Donahue** and **Gayann DeMordaunt**.

MOTION: **Senator Pearce** moved to send the confirmation of **Gayle L. O'Donahue** to the Senate Floor with a do pass recommendation. The motion was seconded by **Vice Chairman Mortimer.**

Senator Sagness indicated he had some concern with the appointment of **Ms. O'Donahue,** including her dual-employment, her lack of both comment regarding education policy as well as sensitivity surrounding the charter school/traditional public school relationship, and how she views her roll. As such, he would oppose her appointment. **Senator Schroeder** also opposed the appointment of **Ms. O'Donahue**, stating that although the charter schools **Ms. O'Donahue** works at have a waiver to employ her simultaneously, he feels that this is allowing specific schools to do something that is otherwise not allowed.

The motion on the table carried by voice vote, with **Senator Sagness** and **Senator Schroeder** having voted nay. **Senator Pearce** will carry the confirmation on the floor.

MOTION: **Senator Winder** moved to send the confirmation of **Gayann DeMordaunt** to the Senate Floor with a do pass recommendation. The motion was seconded by **Vice Chairman Mortimer**. **Senator Sagness** echoed the concerns he had expressed at the appointment of **Ms. O'Donahue**, although he indicated he was not opposed to the

appointment of **Ms. DeMordaunt**. The motion carried by voice vote. **Senator Winder** will carry it on the floor.

RS 18854: **Chairman Goedde** introduced **RS 18854** to the committee. He indicated that if printed, this legislation would eliminate the financial incentives for school districts to deconsolidate.

Senator Schroeder questioned if this legislation could be used to address two separately-funded charter schools which are located side-by-side. **Chairman Goedde** indicated the legislation has an effective date of July 1, 2009. Not only are there the two charter schools, there are two school districts that have deconsolidated since **Chairman Goedde** has been in the legislature, and at least one has gained from the enhanced funding

MOTION: **Senator Fulcher** moved to send **RS 18854** to the Senate Judiciary and Rules Committee with the unanimous consent of the committee. The motion was seconded by **Senator Schroeder**. It carried a voice vote.

H 157: **Chairman Goedde** indicated that because **Representative Nonini** was unable to make it to the meeting, **H 157** would be held until the meeting on Thursday, March 19, 2009. With no further business of the committee **Chairman Goedde** adjourned at 3:45 P.M.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	March 19, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Winder
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes, in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:05 P.M. He requested the secretary take a silent roll.
H157:	**Chairman Goedde** welcomed **Representative Bob Nonini** to the committee to present **H 157**, relating to the Idaho Education Network (IEN). **Representative Nonini** walked through the legislation and amendment, indicating it would more clearly identify the duties of the superintendent. It also clarifies the delivery of appropriate educational resources to school districts, institutions of higher learning, and provides for the appointment of governance council. The participation of the Albertson's Foundation will be in the form of matching funds, and whether or not the State is willing to put up money will determine to what extent the Foundation will. This is in addition to suggestions as made by the foundation regarding safeguards so as to prevent another "ISIMS." Some of the funding will also come in the form of Federal Educational Rate (or, E-Rate) money. **Representative Nonini** explained that if the State were to foot $3 million the Albertson's Foundation would match that money for another $3 million. The State could then leverage this and get $14 million in Federal E-Rate dollars—a 3:7 funding ratio of State to Federal money. The Idaho Digital Learning Academy (IDLA) has been added in the amendment as well, as there is a feeling that the IDLA is the best developer and deliverer of online curriculum in the State. **Representative Nonini** stated this program is intended to be used in rural high-schools that may not be able to attract upper-level teachers. Through the IEN however, they could potentially utilize teachers from larger districts. Another area where this would be helpful would be in dual-enrollment, effectively creating a community college in every

school district. In response to further questioning by **Senator Sagness**, **Representative Nonini** indicated it would be the IDLA who would set up the delivery method. He also stated that higher education has not been pursued actively other than through the prospect of dual-enrollment. **Theresa Luna**, Chief of Staff of the Department of Administration, indicated there have been meetings with institutions of higher education, and that it is the intent that these universities will be major providers of content to students in the IEN.

Chairman Goedde indicated North Idaho College has several campuses that have courses delivered virtually, and he is under the assumption that the IEN would at some point be able to deliver these courses. **Ms. Luna** affirmed this.

Senator Pearce expressed concern over the way the structure is being set up. The IDLA is the expert on the delivery of such a system in Idaho, and as such he was wondering if the SDE would be doubling up on the delivery system. **Ms. Luna** stated the IEN is in the beginning stages, but at this point it is believed the appropriate staff is in place to handle the first few years of the program so doubling up is not currently a concern. **Chairman Goedde** indicated that more than just education entities would be using the backbone provided in the IEN, and inquired of **Ms. Luna** whether any other agencies were lined up to come on board at this point. **Ms. Luna** stated the SDE has been working with the Department of Labor, the Department of Transportation, local governments and IDANET; it has also been working with other government agencies that have systems out there to consolidate onto this system once it is running at capacity.

Senator Kelly indicated the language is seemingly prescriptive for a program that is just starting, specifically with regards to the use of the word “outsourcing” on page 3, line 12. **Representative Nonini** stated there are a series of networks already set up and ready to deliver the system, including Syringa, Qwest, Verizon and Education Networks of America. **Chairman Goedde** also noted that the language referenced by **Senator Kelly** is pre-existing.

Senator Sagness indicated he felt it unusual that there are no legislators involved in the potential board, and requested explanation from **Representative Nonini**. **Representative Nonini** explained that when the bill went to the amending order it was proposed that four legislators would be placed on the board. It was the belief that given the nature of this legislation however, that it should remain non-political. It would not exclude legislators from being appointed as citizens, but there would not be a point made to directly involve them either.

Senator Schroder stated the American Recovery and Reinvestment Act of 2009 mandates that there be a longitudinal data system for student identification implemented state-wide, and inquired if the IEN could assist in the development of such a system. **Ms. Luna** indicated this could be a possibility.

Senator Schroeder also inquired about the involvement of the

Albertson's Foundation would be, and if personnel involved with the ISIMS project would be involved with this. **Ms. Luna** indicated the Albertson's Foundation had approached the SDE about getting involved in education in Idaho, but it had some issues it wanted addressed before getting involved. One of the major problems with ISIMS was that it had created an application before creating a delivery system, as was the OPE finding. IEN creates that highway first, and then creates the content to deliver. The Albertson's Foundation has also requested a governance council be established to create a business plan to follow that they would feel comfortable. Although the interest and involvement of the Albertson's Foundation is greatly appreciated, no promises have been given to grant a foundation seat on the governance council.

Senator Andreason inquired how many individuals who were actively involved with the ISIMS project are still involved with the Albertson's Foundation. **Ms. Luna** indicated she was unsure who, if anyone, was still present and involved. **Chairman Goedde** also noted that it was his impression that all the Albertson's Foundation would be doing was providing funding.

MOTION: With no further questions, **Senator Pearce** moved to send **H 157** to the floor with a do pass recommendation. **Vice Chairman Mortimer** seconded the motion. The motion carried by voice vote. **H 157** will be carried jointly by **Chairman Goedde** and **Senator Pearce**.

H 212: **Chairman Goedde** welcomed **Representative Wendy Jaquet** to the committee to present **H 212. Representative Jaquet** stated this legislation would require thirty (30) days notice to an affected school board when a non-virtual charter school is proposed to be established in the area. She also indicated the legislation addresses a 10% increase in charter enrollment, requiring charters to provide a hearing and once again no less than thirty (30) days notice to affected schools.

Senator Schroeder inquired if the attendance of a non-virtual can be from more than one district, and if so, why other districts are not required to be notified of the establishment of these charters. **Representative Jaquet** indicated that she had experienced this issue in her own district, but that she would welcome an amendment if the committee felt it necessary. **Senator Fulcher** questioned **Tamara Baysinger**, Charter Schools Commission Program Manager, about her thoughts on possible change. **Ms. Baysinger** indicated if this legislation is changed to include all affected districts, it would not follow the rest of statute. **Chairman Goedde** indicated there is enough time left in the session that the best course of action may be to pass the legislation as-is and look at it later.

MOTION: **Senator Sagness** moved to send **H 212** to the floor with a do pass recommendation. **Senator Kelly** seconded the motion.

Senator Pearce requested **Ken Burgess**, representing the Coalition of Idaho Charter School Families, to explain the issue of attendance boundaries. **Mr. Burgess** indicated that when charters petition, they only petition to one district although there may be more than one

affected. Although this is the case, there are some challenging issues facing definitions as it is difficult to determine how many students are coming from each school district.

With no further questions, the motion passed by voice vote. **Chairman Goedde** will carry **H 212** on the floor.

HCR 27: **Chairman Goedde** welcomed **Representative Steven Thayne** to the committee to present **HCR 27**. **Representative Thayne** indicated the purpose of the resolution was to open discussion on ways to get more out of education. He informed the committee that students in places such as South American and Europe are often ready for college by the age of 16, and that given some of the current programs, this would not be much of a stretch for students in the United States. He also indicated this resolution holds the support of **Superintendent Luna** and **Will Rainsford**.

Senator Schroeder inquired if **Representative Thayne** felt that children who are ready for college at the age of eight or ten should be encouraged to go. **Representative Thayne** indicated that parental involvement is key, and those involved need to continue to be sensitive to social implications that would go along with such action.

Vice Chairman Mortimer requested **Representative Thayne** explain to the committee how he envisioned this resolution would proceed. **Representative Thayne** indicated the intent of this resolution was to get feelers out regarding legislation that would have a positive fiscal as well as educational impact.

Chairman Goedde welcomed **Lori Shoemaker**, a concerned parent, to the committee to express her opinion on HCR 27. **Ms. Shoemaker** stated that she has a 5th grader who is in a 5th/6th grade split classroom, and is currently reading at a 9th grade level. It is her belief that the school is not pushing her son to improve faster, in part because the school is getting paid on a per-student basis. If it were to push him to an accelerated learning level, it would lose that funding. **Senator Sagness** thanked **Ms. Shoemaker** for her testimony, and asked if she would elaborate as to how this resolution would help her as a parent. She indicated that resolutions such as this would allow legislation to come through that would enhance her son's ability to learn at an accelerated level. She feels that currently he is not granted that opportunity. **Senator Pearce** inquired if **Ms. Shoemaker** was prepared to do what she may well have to as a parent if legislation pertaining to this resolution does not pass through the legislature this year. **Ms. Shoemaker** indicated she was, although she currently feels that the school is a better medium for her son to achieve accelerated learning than at home.

With no further questions for **Ms. Shoemaker** or **Representative Thayne**, **Chairman Goedde** indicated motion was in order.

MOTION: **Senator Andreason** moved to hold **HCR 27**. The motion was seconded by **Senator Sagness**. **Senator Pearce** indicated he felt this was an

interesting piece of legislation, encompassing great ideas, but that he wished it had been written differently. **Vice Chairman Mortimer** echoed these sentiments, indicating he had spent a great deal of time discussing the legislation with **Representative Thayne**, but that he is concerned about the lack of implementation techniques provided. **Senator Schroeder** indicated this legislation and the testimony of **Ms. Shoemaker** both appeared to echo the attempts at gifted and talented legislation. Following these comments, **Representative Thayne** noted that the opinions of the members had indicated where he needs to start with regards to legislation. With no further questions or comments, the motion to hold **HCR 27** in committee carried by voice vote.

GUBERNATORIAL APPOINTMENT VOTE:

Senator Schroeder moved to send the Gubernatorial Appointment of William "Bill" Goesling to the 10th order with a do pass recommendation. The motion was seconded by **Senator Sagness**. It carried by voice vote. **Senator Schroeder** will carry the appointment on the floor.

With no further business of the committee, **Chairman Goedde** adjourned the meeting at 4:15 P.M.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	March 23, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Andreason
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes, in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:00 P.M. He requested the secretary take a silent roll.

RS 18860: **Chairman Goedde** presented **RS 18860** to the committee, which would provide a definition of rural school. He noted this was not the exact definition the Rural Schools Task Force was looking for, but that they are cognizant of this proposed legislation. In response to questioning by **Vice Chairman Mortimer** and **Senator Fulcher**, **Chairman Goedde** indicated all but six or seven school districts in the State would fall under this definition, and that the intent was not to change the number of districts, but rather to define them.

MOTION: **Senator Fulcher** requested unanimous consent of the committee to send **RS 18860** to a privileged committee for printing, with referral back to the Senate Education Committee. The motion was seconded by **Senator Pearce**. It carried a voice vote.

S 1154: **Chairman Goedde** welcomed **Treasurer Ron Crane** to the committee to present **S 1154**, as relating to the School Bond Guaranty Fund. **Treasurer Crane** gave a background on the fund, which was established during the 1999 Legislative Session as a result of a lawsuit that had taken place.

Under the School Bond Guaranty Fund, any school district can access the state's credit rating to bump its own rating up to a Triple-A. In doing so, they will be able to recognize significant savings on their interest rates.

The Triple-A rating is achieved through a series of steps; first, the state receives a certification from the State Department of Education that the school district is solvent and in good financial condition. The second step is an intercept mechanism, allowing the State Treasurer to intercept any funds that flow from the state of Idaho to the school district (ie: public school appropriations). The third step is a property tax levy in the district,

which allows for commissioners in that county or school district to levy a property tax against the patrons of that district. This would ensure the state could make the bondholders whole in the event the district defaulted on the bonds.

Sales tax acts as a guarantee in the event the State has to repay bondholders. This is then backed up by the Public School Endowment Fund for up to $200 million. The state can leverage that $200 million for up to $800 million in debt capacity so that it is able to issue the school bonds.

The rating agencies initially issued the state a $400 million cap, which has since been bumped up to $800 million. Despite this cap increase however, the State has found that larger school districts are gobbling up the capacity at the expense of the smaller school districts.

To deal with this problem, the Treasurer's office came to the Legislature in 2007 and requested it place a $20 million cap for any single school district. This has allowed smaller school districts to participate fully in the program. Smaller districts generally issue bonds at a lower rate than larger districts, as well as utilize a smaller portion of the bonding capacity.

Up until now this seems to have worked well, although in the current market many districts are struggling to access the Triple-A rating. In the past districts have purchased bond insurance to access the Triple-A rating, but as bond insurers are now gone, the bond insurance is as well. To deal with this the Treasurer's office has proposed creating a separate tier to allow all the districts to participate at a Double-A Two rating, which is what the state's shadow credit rating is.

Treasurer Crane presented a chart showing spreads, how many school districts can achieve a Double-A Two by themselves, and how many would benefit from the creation of this second tier (attachment 1). By creating this second tier the state is removing the Endowment Fund as a bonding guarantee. Sales tax as well as the previously outlined steps would be taking the place of the Endowment Fund. This legislation also means a significant savings to the school districts in interest. As the bond insurers are defunct, districts in this tier currently have little or no access to the capital markets, and only three districts qualify for this Double-A Two on their own.

The Treasurer's Office has estimated the capacity will be somewhere between $3 and $5 million. However, although the Treasurer's Office guarantees the whole bond, it must be kept in mind that the only access to sales tax should the district default on the bonds will be on the first year's payment. It should be noted that in this legislation the State Treasurer has the authority to shut down this program if it feels the State's credit rating is in jeopardy.

There were a number of housekeeping and technical corrections made as well. The change in legislation clarified the guaranty limits, as well as revision of the certification process for the school districts to determine and monitor their solvency. Included as well is interest rate clarification; the terms for the endowment fund investment board to purchase the

notes; clarification that the bonds may be purchased for funds other than the EFIB; and revisions to the school district application process. It also allows the State Treasurer to charge a fee for the administration of this program.

With no further comments on the legislation, **Treasurer Crane** stood for questions.

Senator Schroeder inquired if a school district has ever defaulted. **Treasurer Crane** indicated this has not happened.

Vice Chairman Mortimer inquired if there is a maximum amount which can be distributed under the State's Triple-A Two rating. **Treasurer Crane** indicated the best estimate for the second Tier would be somewhere in the ball park of $3 and $5 billion. Currently there is $683 million that is being distributed under the Triple-A program.

Eric Heringer, with Seattle Northwest Securities, a bond underwriting firm, stated there is an overall debt incurred by the State in conjunction with various programs issuing bonds. On their own none of these programs directly impact the State's credit rating; however, as a combined entity over time that is a possibility. As it stands right now, the school districts, absent going to the bond guaranty, go to the bank and get a very similar pledge. This doesn't really expand the exposure of the sales tax as it relates to the credit enhancement program; it just keeps it in the school area rather than in the bond bank area.

Senator Fulcher indicated he would like **Mr. Heringer's** opinion as to whether this advantages school districts from a fiscal perspective, and if so, how? **Mr. Heringer** stated that from the interest perspective, school districts that issue bonds from a Double-A Two rating pay 1% to 1.5% less in interest than districts that issue bonds from a Single-A rating, which is where all but three districts in the state would have to issue bonds from on their own. This is where the savings would be seen.

Senator Fulcher followed by inquiring if there would be any incremental risk or cost to the taxpayer in creating this legislation. **Mr. Heringer** indicated there is no direct cost to the taxpayer; even if there were to be a default on a bond, the taxpayer would eventually recoup those losses although it may take some time. As it stands, the interest cost savings as transferred to the school districts will actually benefit taxpayers.

In response to questioning, **Treasurer Crane** indicated that districts that could achieve the Double-A Two rating on their own could choose to opt-out of the program, and as such it would not necessarily help or hurt them. The districts that could opt out of this are the Boise School District, the Meridian School District and the Blaine County School District.

Vice Chairman Mortimer inquired what the total cap on the program for the state would be. **Treasurer Crane** indicated the cap for the Triple-A is $800 million. The state is presently at $683 million, leaving another $117 million to go under the Triple-A program. It should be noted that bonds are continually rolling off, freeing up new funds for the issuance of more bonds. **Vice Chairman Mortimer** inquired if there was a cap under the

new program, which **Treasurer Crane** stated no. However, capacity-wise the Treasurer's Office figures it can guarantee between $3 and $5 billion, but it does not expect to ever reach that. He also indicated, at the questioning of **Vice Chairman Mortimer**, that the $20 million cap relates directly to bonds issued under the Triple-A rating, not the Double-A Two rating.

Senator Winder requested clarification that in order for a district to have any bonded indebtedness there has been an election and the voters have agreed to the bonding. **Treasurer Crane** affirmed this.

MOTION: With no further question, **Senator Kelly** moved to send **S 1154** to the floor with a do pass recommendation. The motion was seconded by **Senator Fulcher.** It carried by voice vote. **Vice Chairman Mortimer** will carry the bill on the floor.

S 1159: **Chairman Goedde** stood to present **S 1159**, relating to the removal of financial incentives for school district deconsolidation. This legislation would ensure that school districts who deconsolidate do not take advantage of a more lucrative funding formula.

Senator Sagness inquired how many districts had deconsolidated in the last 10 years. **Chairman Goedde** indicated two had—one in Pend Oreille and one in Riggins. He also explained at the request of **Senator Winder** that this legislation was meant to deter school districts from deconsolidation for the sole purpose of extra funding. In previous instances where school districts have deconsolidated, they have benefitted from more funding, as the State funds through Average Daily Attendance based on attendance multipliers.

Though it does not prohibit the deconsolidation of these districts, neither does it allow for more money resulting from deconsolidation as was allowed previously under the legislation. For the benefit of **Senator Schroeder, Chairman Goedde** indicated the legislation was dynamic in that if a deconsolidated district were to gain or lose enrollment, these districts were to be measured against the district as if it were consolidated. **Senator Schroeder** indicated he was trying to figure out where the state is making the calculation indicated on page 3. **Chairman Goedde** directed **Senator Schroeder** to lines four and five on page four.

Senator Sagness inquired if this would apply to charter schools, as when a charter is established in an area that district is effectively deconsolidating. **Chairman Goedde** indicated that it does not take a vote of the district to approve a charter, whereas a deconsolidation does.

MOTION: With no further questions, **Senator Fulcher** moved to send **S 1159** to the floor with a do pass recommendation. The motion was seconded by **Senator Pearce.** It carried a voice vote.

MOTION: **Senator Sagness** moved to approve committee minutes from February 24, 2009 and February 25, 2009. The motion was seconded by **Vice Chairman Mortimer**. It carried a voice vote.

With no further business of the committee **Chairman Goedde** adjourned

at 3:40 P.M.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	March 26, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Fulcher
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes, in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:00 P.M. and passed the gavel to **Vice Chairman Mortimer**. He stood to present **H 252** to the committee.

H 252: **Chairman Goedde** indicated that this would set forth a method by which a financial emergency can be declared, and how the players—the trustees and the Local Education Associations (LEAs)—can go through the process to determine their budget. The most recent understanding is that this is consensus legislation and the committee would be hearing from all involved parties.

Senator Schroeder requested **Chairman Goedde** speak to how and whether declaring a financial emergency would affect bond ratings. **Chairman Goedde** indicated he was unaware of this one way or another, but that the declaration of a financial emergency would not change the numbers. **Senator Schroeder** stated he had a document in which this question came up with respect to universities, wherein it was stated that this number must be recorded and that it does affect bond ratings. It was suggested that the State Treasurer be asked to address this issue, to which **Chairman Goedde** agreed. **Vice Chairman Mortimer** returned the gavel to **Chairman Goedde** and left to call the State Treasurer to ensure accuracy on the matter.

Chairman Goedde welcomed to the committee **Karen Echeverria** with the Idaho School Boards Association (ISBA). **Ms. Echeverria** indicated this was consensus legislation, which the ISBA, the Idaho Education Association (IEA) and the Idaho Association of School Administrators (IASA) had been working for approximately one month. She acknowledged that none of the involved parties got exactly what they wanted out of the compromise, but that all groups are doing their best to explain the nuances of the bill to their constituents.

Senator Schroder requested **Ms. Echeverria** explain how this legislation would modify the handling of traditional continuing contracts such as tenure agreements, as it was his understanding this legislation would make teachers at-will employees. **Ms. Echeverria** stated this does allow trustees to open those contracts in the event that a financial emergency has been declared.

Senator Sagness inquired if this was not just a breakout of **H 117,** which was proposed earlier in the session. **Ms. Echeverria** indicated it is a breakout of parts of **H 117**, not the entire bill. He also inquired if there was an understanding that any of the other elements in **H 117** would be off the table. **Ms. Echeverria** stated the only things discussed in context of this legislation were the issues directly addressed in the legislation. These other elements were not at all discussed; she indicated the goal of ISBA was to deal with the issues at the local level. **Senator Winder** wanted clarification that this would, in effect, give districts the right to change multi-year contracts which may cause problems in these districts. **Ms. Echeverria** indicated he was correct. **Senator Winder** again requested clarification that it is not the intent of this legislation to terminate multi-year contracts, which **Ms. Echeverria** confirmed.

Senator Winder also asked if there is any provision for a hardship situation in the legislation. **Ms. Echeverria** indicated the legislation has taken the language that currently exists in code for due process for teachers and has changed it slightly to make it not a punitive action. The big difference is that there is only one due process hearing rather than one for every teacher. The involved parties came to the conclusion that the teachers would all be airing the same grievances in this particular matter, so they felt one hearing would meet the requirements. She reiterated that when the LEAs and the trustees are in negotiation, the parties would come to a compromise on the master agreement. If an agreement can be agreed on at that stage, the due process hearing would be unnecessary.

Senator Sagness pointed out that in this particular situation the involved parties have no control of the budget itself, but the schools have the total responsibility for dealing with problems that result from this. He inquired if **Ms. Echeverria** found this distressing. **Ms. Echeverria** indicated she agrees with part of the statement, stating that districts have some control in the ability to issue levy's and the like.

Senator Sagness inquired about the potential for lawsuits, the expense in relation to lawsuits, and whether there is any indemnification for districts that may end up dealing with lawsuits as they may ensue. **Ms. Echeverria** indicated she did not believe so, but that it was her understanding that the State Department of Education (SDE) has to meet certain conditions for declaring a financial emergency; if the district is going to use one of the other two conditions (property tax or levy), they have to submit to the SDE that information on their general fund balance, and the SDE has to certify that is accurate. **Senator Sagness** clarified that the SDE can bear some responsibility to the cost, but not it all, which **Ms. Echeverria** indicated she believed was accurate.

Chairman Goedde welcomed **State Treasurer Ron Crane** to the committee to provide his findings on **Senator Schroeder's** question relating to financial emergencies and bonding in the K-12 arena. **Treasurer Crane** clarified that the bond companies would want to know about anything which would have an impact on the school district, although he did not know if there would be a negative impact on the rating from the agencies.

Senator Schroeder stated that his understanding of §33-515 would lead him to believe that teachers are placed on renewable contract status in their fourth year of teaching. This would mean that teachers have the right to automatic renewal by giving notice in writing of acceptance of renewal and salaries determined in these contracts could not go lower than specified in the original contract. He then pointed to lines 33 and 34, and page 4, where the district may recommend a change in length of term and salary, effectively making them at-will employees. **Ms. Echeverria** stated the salary and contract can be reduced in a financial emergency, but would have to ask her colleagues to address the renewable aspect of the legislation

Robin Nettinga addressed this, stating that was not the intent of the language in writing the legislation. In a financial emergency two things could happen: salaries could be reduced, or the length of the contract could be reduced. **Senator Schroeder** inquired if the salary reduction was permanent or if it would return to where it was prior to the declaration of the financial emergency. **Ms. Nettinga** indicated the salary earned in subsequent years is determined by whatever is bargained during the master agreement. **Senator Schroeder** inquired if a teacher could earn less in subsequent years, which **Ms. Nettinga** indicated was a possibility.

Senator Kelly requested a follow-up on the issue of renewable contracts and how they might be affected by this legislation. She indicated she would assume that the Boise and Meridian School Districts—both of whom operate with renewable contracts—employ a large number of educators. She asked if this would not affect them. **Ms. Echeverria** stated that when the master agreement is addressed in legislation, it is an agreement that is usually negotiated every year. That master agreement sets out all of the things being discussed; salary, number of days, classroom size, etc. For 90%+ of the state, those agreements are negotiated annually. There are some districts that have multi-year contracts, in which it is stated that the educators will get incremental raises based on whatever is agreed to. In this scenario the parties involved do not renegotiate any parts of the contract until it is up. Single year contracts would have been expiring whether the financial emergency had been declared or not.

Senator Kelly inquired why salary and benefits cannot be negotiated as part of the master agreement. **Ms. Echeverria** indicated this decision goes back to current legislation, where the experience/education salary grid is addressed. This would not allow any lower salaries or benefits to be negotiated, although it does allow negotiating future raises. **Ms. Nettinga** noted that even districts with multi-year agreements could go into those agreements under this proposed legislation and reduce salaries

if a financial emergency was declared at the local level. In response to further questioning by **Senator Kelly**, **Ms. Nettinga** indicated the SDE would have to certify a piece to make the declaration of financial emergency for this legislation to be used.

Research done on the multi-year contracts indicates that many do not include salary or benefits. Therefore, these are reevaluated every year, whereas other aspects of the contract are left to carry over. **Chairman Goedde** requested clarification that this legislation is designed to deal only with salary and benefits, which **Ms. Nettinga** affirmed. However, there is language that would allow other financial agreements if both parties agreed.

Senator Winder inquired about the impact on what the teachers pay for their medical insurance. **Ms. Echeverria** stated this legislation allows both salary and benefits to be discussed, which could mean the teachers could face a salary reduction alongside an increase in benefits co-pays.

With no further questions for **Ms. Echeverria**, **Chairman Goedde** welcomed **Sherri Wood**, president of the IEA, to the committee. **Ms. Wood** indicated the IEA is in favor of **H 252**, in part because it does three things. It requires a school district to meet certain conditions, some of which must be confirmed by the state, prior to declaring a financial emergency; it obligates local school boards and local associations to negotiate the salary, benefits and other mutually agreed upon financial issues that exist in the Master Agreement in an expedited timeline for negotiations and due process (67 days); and it assures full due process rights for teachers who may face salary cuts or furloughs if an agreement between the local associations and the district is not reached.

This legislation allows each individual district to do what is best for its children and community. **Ms. Wood** stated the IEA does back the legislation, and it believes that there is no need for other legislation in the event of the declaration of a financial emergency.

Senator Winder inquired if the actions of JFAC, would impact teachers, and how it would affect the flexibility of the IEA, IASA and ISBA. **Ms. Wood** stated that the PESF, the Federal Stimulus money and other state stabilization funds could be used to cover this. **Senator Winder** inquired how much of the other state stabilization funds would be required to do this. **Ms. Wood** stated there are seven scenarios that have been put together, and depending on what scenario is looked at, money is always left in the PESF fund, and the state stabilization fund is always left partially intact.

Senator Schroeder indicated that in looking at §33-522, any district can declare a financial emergency if the SDE certifies that one of the outlined situations happens. **Ms. Wood** indicated that the fund balance of the school district has to be below 5.5% for it to be eligible to declare a financial emergency. **Senator Schroeder** followed by asking what the free-fund balance is of a district as compared to the 5.5% cap for declaring a financial emergency. **Dr. Wayne Davis**, with the IASA, indicated a normal free-fund balance is about 8.5%. Less than this would

mean there is not enough money to make it from month to month. **Senator Schroeder** inquired what districts have fallen below the 5.5% cap. **Dr. Davis** indicated that the most current data collected from 37 districts indicates that 15 of them have fallen below the 5.5% cap to date. **Senator Schroeder** requested clarification that, in this case, districts are allowed to declare a financial emergency, allowing them to reopen salary and benefits packages. **Dr. Davis** affirmed this.

Senator Sagness inquired how the involved parties came to the conclusion that this was the issue that needed to be addressed, and if the groups had the impression that in dealing with this piece others from **H 117** would not be addressed. **Ms. Wood** indicated that in the discussion they had they were under the impression this legislation would replace **H 117**. The group was given three goals: using the avenues available to them today; high bars were set to ensure schools were truly in a financial emergency; and to keep the efforts as close to the local level as possible.

Chairman Goedde inquired if **Ms. Wood** and the IEA felt the passing of **H 252** was necessary. **Ms. Wood** stated yes.

Senator Kelly inquired how this bill would fit with **H 262**. **Ms. Wood** stated the two provisions in **H 262** were also in **H 117**. One piece was freezing movement on the teacher salary grid, and the other was eliminating the early retirement incentive. In negotiating **H 252**, the parties involved were hoping to push the issues to the local level, as decisions made in Boise do not necessarily have the same positive impact as those made in another district.

Chairman Goedde indicated the last target holdback number for JFAC is $109 million, with a back-feed of $43 million in stimulus money, leaving a necessary cut of $43 million in program money and 3% of teacher salaries. **H 252** will only provide a mechanism for negotiating at the local level for whatever budget cuts the state does not take upon itself. He reiterated that passing either **H 256** or **H 262** would be prescribing to local districts how to use funds, and that the debate on **H 252** should be to make sure that what these people have agreed to is a valid process. After this, the legislature needs to decide how much budget-setting authority it wants to prescribe to the local level.

Senator Kelly inquired how the salary freeze affects the negotiation of contracts. **Chairman Goedde** indicated the matrix that the state pays to districts is based on years of service, from one to thirteen. What is being suggested in **H 262** is freezing experience movement on the grid for one year. Thus, a teacher who has ten years of service and is moving to year eleven remains at the year ten salary for one year; freezing the grid in and of itself will not have an effect on negotiation at the local level.

Chairman Goedde stated that if the legislature does not pass **H 262,** it still has to get to the $69 million target, which would result in this money being taken out of salary or benefits as this is the only thing that is negotiatable under **H 252**. **Ms. Wood** indicated that through mutual agreement, other items encompassed by the master agreement can be renegotiated. Teachers have told the involved parties they would rather

use **H 252** to drive the decision down to the local level in deciding how the 3% can be cut.

Senator Schroeder indicated it was his understanding of the legislation that the state will still be sending money to the districts based on the grid system, but because it is lacking a use it or lose it clause the district is not required to pay teachers based on the grid. **Ms. Wood** indicated that if the state were to send the same amount of money from year to year, it would effectively be revenue neutral as the number of teachers leaving would balance out the number of teachers coming in. Thus, conceivably this could happen.

Senator Schroeder indicated he had a second question, and inquired about the potential for a disparate financial structure between districts who have declared a financial emergency and those who have not. **Ms. Wood** indicated this is a possibility, and there has been some discussion.

Senator Schroeder requested a characterization of the districts most likely to declare a financial emergency. **Dr. Davis** indicated the spread was across the board as far as rural versus urban districts.

Senator Winder inquired if districts that did not fall below the 5.5% would have to do what **H 256** and **H 262** prescribed. **Dr. Davis** indicated this was correct.

Ms. Echeverria requested that she be allowed to clarify in regards to the 5.5% fund balance. She stated that the 5.5% fund balance cap was for the year being declared, not the current fund balance. For example for FY 2010, it would be the fund balance for the entire fiscal year, rather than just one month or a specific portion. **Senator Schroeder** inquired if a district whose fund balance falls below the 5.5% is required to declare a financial emergency. **Ms. Echeverria** stated no, that it was a choice.

Chairman Goedde welcomed **Dr. Davis** to speak on behalf of the IASA. **Dr. Davis** indicated the IASA is in support of **H 252** as it provides local districts with a tool to work with the revenue that will be generated from the state. Districts with more than the 5.5% in the fund balance cannot access this unless they spend down to the 5.5%. There has been a request for a clause to talk about the 95% use it or lose it, which mandates employing a certain number of educators to get access to funds. Employing less than that drops the amount of funds districts have access to, and by the same token employing more than that does not allow for more funding. The 95% use it or lose it clause allows districts to be funded at 100% capacity, but only spend 95% of it; working the clause into the legislation would not affect their support either way.

Vice Chairman Mortimer requested further information about the grid system, referring to **Dr. Davis'** statement that some systems adhere to the grid while some do not. He inquired which districts are paid by the grid from the State's standpoint. **Dr. Davis** indicated all districts are paid through the grid system, but the teachers are not. **Vice Chairman Mortimer** followed, questioning whether districts would have to follow the grid system were it to be frozen, or if the grid acted purely as a funding

mechanism. **Dr. Davis** indicated his statement that the grid is a funding mechanism is correct, which is why the districts need to have the ability to utilize funds in the most appropriate manner for their district.

Vice Chairman Mortimer inquired how each percent reduction in district funding would affect the 5.5% fund balance. **Dr. Davis** indicated he was unsure if he could answer the question wholly, but if the legislature were to recognize that 85% to 87% of a districts funding goes towards salaries and what local levy funds may come to the district, there is quite a range of the districts budget that will come in the form of discretionary dollars.

Dr. Davis indicated that any reductions the legislature does this year will affect all districts. In looking at the impact on each district, one can determine how much they will run for override levies which will also make a difference on what kind of a salary or increase or decrease it makes.

Senator Schroeder indicated he would like to know the characteristics of the districts that typically fall below the 5.5% such as market value, current debt load and some parameters that would help him to understand what exactly he is looking at. **Dr. Davis** stated it was his opinion that rural school districts with declining enrollment were the ones which would be most likely to fit the 5.5% cap model. **Dr. Davis** noted that all districts in need will be impacted by this legislation, but that **Senator Schroeder's** question would be better directed towards **H 262** as there is nothing in the legislation currently before the committee that would have any direct revenue impact on the districts.

Senator Schroeder acknowledged this but also stated that before he could make a decision he wanted to know how this would impact various districts and whether this would in fact develop an unequal system.

Vice Chairman Mortimer inquired how **Dr. Davis** saw the 3% funding reduction across the state affecting reserves. **Dr. Davis** stated he hoped to begin the discussions to look at the amount of money given to the districts and make adjustments to the formula through discretionary dollars and salary adjustments. It is his belief that a district could survive, but that beyond that there remains to be seen some fairly catastrophic cuts in programs.

Senator Kelly inquired if a district would be more likely to be able to declare a financial emergency in the event that **H 262** passed. **Dr. Davis** indicated he did not feel it would make a great deal of difference either way, and that what was most likely to make a difference was what school districts feel their obligations are to employees.

Senator Kelly inquired if **Dr. Davis** had a response to Treasurer Crane's comment that a financial emergency could affect the State's bond rating. **Dr. Davis** indicated he believed Treasurer Crane's comment to be accurate. He indicated he was unsure as to whether a district declaring financial emergency would have an impact on the State's bond rating, but that he felt it the responsibility of a district to notify the bond rating agency of such an instance.

Senator Kelly inquired about the possibility of litigation. **Dr. Davis** indicated this was one of the biggest concerns, and legal advice was sought from several sources. It is the opinion of the involved parties that anytime contractual agreements are discussed the district is vulnerable to lawsuits. **Senator Kelly** expressed concern that the same people who are declaring financial emergencies are the ones who are looking at whether or not an emergency should have been declared. She also expressed concern that educators only have six days to respond to the declaration, and requested a response from **Dr. Davis**. He indicated the appeal process listed does reduce time involved, but attorneys for both the ISBA and the IEA were involved in drafting this legislation. **Ms. Echeverria** confirmed the time frame was shortened, primarily because if financial emergency were declared, it would have to be dealt with immediately. At the end of the due process hearing, the board of trustees has the ability to impose their last best offer.

Ms. Nettinga noted that to expedite this process and have it truly effective, it would have to be in place by April 1. The due process steps outlined are currently in law, and some of the issues brought up are issues they have had for a number of years as an organization. **Dr. Davis** added that once the declaration begins, there are 67 days from the declaration of financial emergency until the hearing. As a result none of the issues being voiced should be of any surprise. Additionally, judicial appeal is still on the table.

Chairman Goedde inquired about the April 1 date. **Dr. Davis** indicated that date was selected to ensure the process is expedited. **Ms. Echeverria** noted that the ISBA has already met with some of the school boards to discuss the prospect of declaring a financial emergency so that if this legislation moves forward they will be able to expedite the process.

Chairman Goedde indicated the committee would continue its discussion of the legislation during the next meeting.

MOTION: **Senator Andreason** moved to approve the minutes from February 17, 2009 and February 19, 2009. **Senator Schroeder** seconded the motion. It passed by voice vote.

Chairman Goedde adjourned the meeting at 4:45 P.M.

Senator John Goedde	Sara Pealy Secretary
Chairman	

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	March 30, 2009
TIME:	3:00 p.m.
PLACE:	Joe R. Williams Building, West Conference Room
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes, in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:05 P.M. and indicated the committee would continue discussion on **H 252**.
H 252:	**Chairman Goedde** welcomed **Eric Exline**, Public Information Officer for Joint School District Number Two, also known as the Meridian School District. **Mr. Exline** indicated the school district is in support of this legislation, stating that when given the opportunity to voice their opinions, an overwhelming majority of teachers would choose pay cuts versus staff cuts. He feels this gives the district the necessary tools to provide protection for employees as well as giving school boards the latitude to take the actions they might need to. **Senator Kelly** stated there was indication that the declaration of a financial emergency may affect the State bond rating, and inquired if this was a concern**. Mr. Exline** stated that it does not, as there are a number of factors that go into a bond ratings. Additionally, the Meridian School District can achieve it's own bond rating. **Harold Ott** indicated the Idaho Association of School Administrators (IASA) was in the process of retrieving fiscal information for school districts for the past school year which **Senator Schroeder** had requested. This information would include market value, ADA, levy rates, total bonded indebtedness and the like. **Senator Kelly** reiterated **Senator Schroeder's** opinion that this would be important information to have before voting on the legislation. **Vice Chairman Mortimer** requested **Tim Hill** address **Senator Schroeder's** remarks, and indicate whether or not the committee would really be able to absorb the information. **Mr. Hill** stated he is not in a position to tell what that entails, or how much time it would take to get it back to the committee.

MOTION: **Senator Schroeder** moved to hold the vote until March 31, 2009. **Senator Kelly** seconded the motion.

Senator Winder requested discussion, asking **Chairman Goedde** if delaying the vote until Tuesday would have a significant impact. **Chairman Goedde** indicated he did not believe holding the vote would change the schedule on the floor.

Chairman Goedde requested a roll call for the motion on the table:

Senator Mortimer – Nay
Senator Schroeder – Aye
Senator Andreason – Nay
Senator Fulcher – Nay
Senator Pearce – Nay
Senator Winder – Nay
Senator Sagness – Aye
Senator Kelly – Aye
Chairman Goedde – Nay

The motion failed.

SUBSTITUTE MOTION: **Senator Andreason** moved to hold the vote on **H 252** for no more than 48 hours. The motion was seconded by **Senator Schroeder.**

AMENDED SUBSTITUTE MOTION: **Vice Chairman Mortimer** moved to send **H 252** to the floor with a do pass recommendation. The motion was seconded by **Senator Pearce.**

Senator Mortimer indicated he appreciated that the IASA provided additional information for the committee, but it was his belief that this information would not change the outcome of the vote and as such he was prepared to vote on the legislation.

Senator Schroeder voiced his strongest possible objection to being forced to vote on this bill without the information relative to the impact of this bill relative to schools in his district.

Senator Andreason inquired of **Vice Chairman Mortimer** why he felt it acceptable procedure to vote on this bill without adequate information. **Vice Chairman Mortimer** indicated he is willing to put his trust in the fact that this is consensus legislation and the positive feedback on the legislation.

Chairman Goedde reiterated that this is consensus legislation between the IASA, the Idaho Education Association, and the Idaho School Board Association. He indicated that no involved party got exactly what they wanted, and there would be some districts that may fare better than others, but this is something that happens in every piece of legislation.

Senator Schroeder stated he is deeply concerned about the State Treasurer's statement that this could impact the State's bond rating.

Senator Winder indicated that as he understands **H 252**, it will not have a fiscal impact on the State, asking if this was true. **Chairman Goedde**

stated that the legislation itself would have no fiscal impact, but if there were to be a negative effect on the State's bond rating, that would by default have a fiscal impact.

Senator Schroeder requested **Mr. Hill** yield to the question of bonding as it related to **H 252**. **Mr. Hill** stated that when a district applies for the guaranty of the state the State Department of Education is asked to prepare a letter of recommendation and a certificate of eligibility. The SDE looks at the most recent financial information, and he would operate under the assumption that the district would have an obligation to report that. The district is an integral player of that bonding, but the ultimate responsibility goes to the tax-payers of the district. The statute that governs the reserve allows for and encourages districts to set up a reserve for up to 21 months of payments, so that in the event of delinquent taxes the district does not have to dip into remaining reserves to make those payments. **Mr. Hill** indicated at the questioning of **Senator Schroeder** that he is not implying Treasurer Crane is incorrect, but that he does believe the district would be obligated to report a financial emergency.

Vice Chairman Mortimer requested to distinguish his understanding about what Treasurer Crane had said, stating he believed that it would be the responsibility of the district to report a financial emergency to the bonding agency. He did not come away from Treasurer Crane's comments that this would affect the bond rating, but just that the district would have to report this to the bonding agency. **Senator Schroeder** stated his concern is in part that there would be twenty or thirty districts declaring a financial emergency, which would significantly impact the bond rating.

Senator Kelly observed there has been a trend of schools relying on their own ability to raise money through supplemental levies and bonding, so any consequential effect that may restrict a school district's ability to get money that way is very relevant to the big picture.

Vice Chairman Mortimer said he felt that **Senator Kelly's** concerns were in part a force behind the passage of **S 1154**, which would make it easier for a district to achieve the Double-A Two rating of the State.

Chairman Goedde inquired if the 21 month reserve **Mr. Hill** referred to was included in the fund balance and the 5.5% threshold. **Mr. Hill** stated the 21 month reserve includes the 12 upcoming months. 21 months is the starting target, and from that the district, in calculating the amount certified from the county, would subtract what it has in reserve and the end result is the district should have sufficient monies to pay for 12 months worth of payments and still have up to another six months worth of payments still in the bank.

Senator Schroeder addressed continuing contracts as discussed in the legislation. He stated he views education as a process whereby children are taught to think for themselves. Therefore having positions of tenure is necessary so teachers are able to encourage the discussion of ideas that are not necessarily popular with politicians, and continuing contracts give

teachers that right. By making teachers “at will” employees it is his belief this would discourage such discussion. **Chairman Goedde** indicated that the IEA, IASA and ISBA had all assured the committee at the previous meeting that this was not the case.

With no further discussion regarding **H 252, Chairman Goedde** requested a roll call vote on the amended substitute motion, to send **H 252** to the floor:

Senator Mortimer – Aye
Senator Schroeder – Nay
Senator Andreason – Nay
Senator Fulcher – Aye
Senator Pearce – Aye
Senator Winder – Aye
Senator Sagness – Nay
Senator Kelly – Nay
Chairman Goedde – Aye

The amended substitute motion passed. **Chairman Goedde** will carry the bill on the floor.

H 256: **Chairman Goedde** welcomed **Representative Nonini** to the committee to present **H 256**, which is one of a series of three bills (H 252, H 256 and H 262). **Representative Nonini** directed the committee to a letter co-signed by the House and Senate Education Committee Chairmen, which was written in an effort to expedite the process of moving the bills through the Joint Finance Appropriations Committee.

Senator Kelly clarified for the committee that minority leadership was not included in the discussion, nor had she seen the letter until March 26.

Representative Nonini stated that the intended effect of this legislation is to minimize the effect that teachers will see in salary cuts during FY 2010 given the current financial crisis. The two ideas encompassed in **H 256** are transportation related, and were spawned during a series of meetings between Superintendent Luna, both the House and Senate Education Committee Chairmen, and others. The State will be saved approximately $4 million in transportation costs through two mechanisms: first, approximately $1.5 million will be saved through changing the reimbursement system. A handful of high-density districts are reimbursed through the per-mile method rather than the per-pupil method, and this legislation would eliminate that possibility. The second part of the savings would be in the elimination of field trips—saving the state approximately $2.5 million. He noted that although this is not an easy decision to make the alternative is balancing the budget on the back of teacher salaries.

Representative Nonini pointed the committee towards two handouts: one outlining where the savings would come from should this legislation pass, and the other listing districts with more than 20 students enrolled per square mile. If this legislation does pass, districts with more than 20 students per square mile will be required to be reimbursed on the per-pupil method rather than the per-mile method.

Representative Nonini explained the first handout, relating to the pupil transportation funding formula if high density districts are required to use the cost per rider formulas as per **H 256**. He noted that at the top of the sheet is the State's cap of 103% reimbursement per mile. The state wide average on a cost per mile reimbursement is $3.35/mile annually, whereas the cost per rider is a flat reimbursement rate of $828/rider. **Representative Nonini** pointed to the Boise Independent School District, indicating the bulk of the savings to the state ($1,428,251) would come from there. The intention of the original legislation was that high-density districts would use the per-student method and the rural districts would use the per-mile method, although this was not laid out in code. Schools were allowed to pick which method they wished to be reimbursed through, and the Boise School District has chosen the per-mile method. This legislation would seek to change that.

Representative Nonini indicated the other districts in blue are districts which have more than 20 students enrolled per square mile, but most of these districts are not negatively impacted by this legislation. The Lewiston School District as well as a number of charter schools will be impacted by this legislation, although none so severely as the Boise School District. Not all charters will be impacted as they are not required to provide transportation.

Regarding the second handout, the districts below twenty would still have the option to decide whether they want to be reimbursed per-pupil or per-mile. Another key piece of legislation seeks to change the reimbursement rate from 85% to 50% for FY 2010. All districts would be kept whole through FY 2009. $23.5 million will be sent out in the form of grants to districts, so every district would be kept whole for FY 2010. With no further questions or comments for **Representative Nonini**, **Chairman Goedde** welcomed **Jason Hancock**, with the State Department of Education, to the committee to further expand on **Representative Nonini's** testimony.

Mr. Hancock stated there was an effort in January to solicit ideas for how the public school budget costs could be reduced in such a way so as to do the least damage to student achievement and to the system. The components of the legislation before the committee encompass ideas two and three of Superintendent Luna's "List of 10 Bad Ideas". While transportation is an essential and unavoidable cost, every dollar spent on transportation is a dollar that will not make it to the classroom. **Mr. Hancock** also indicated this legislation has enabled JFAC to direct stimulus money towards teacher salaries, effectively "buying down" teacher salary cuts from 5% to a 2.6%.

Senator Kelly inquired why no Sunset Clause was placed in the legislation regarding field trip funding. **Mr. Hancock** indicated this was because there is no definitive answer as to when this financial crisis will start to turn around. **Chairman Goedde** stated that although he was unsure of the process, he would like to attach legislative intent in the journal that would indicate reinstating field trips.

Mr. Hancock stated there has been concern that field trips have already

been taken this year, but they will not be reimbursed next year. He stated this is true, and school districts will true up with this by not taking field trips in FY 2010.

Mr. Hancock also addressed high-density school districts, stating the thinking at the time of the development of the legislation is that the urban districts would run more efficiently on a cost-per-student basis. By comparison, rural districts tend to have longer routes picking up fewer children, so the cost-per-mile model would appear to be most efficient for them. There were also some districts which were in-between, so the legislation was written to give the better of the two measures of reimbursement. When these current ideas were being developed the SDE looked at whether the original legislation was working. It was found that at the rural level the cost-per-mile model appeared to be working; however there were a couple of outliers where there were significant additional dollars that were being distributed unnecessarily. **Mr. Hancock** pointed the committee towards his handout outlining enrolled students per square mile, stating there are 17 such districts, with one district right on the cusp.

The first handout, which **Representative Nonini** discussed previously, broke down which of those 17 districts (indicated in blue ink) already do better through the cost-per-rider model; there are 15 such districts. There are two districts that would be impacted, Boise and Lewiston, although **Mr. Hancock** stated the Lewiston district funding formula is chosen annually.

Mr. Hancock then directed the committee to the third handout, addressing the Pupil Transportation Block Grant. He stated this part of the bill does not save any money in FY 2010, but it does address issues that have come up over the years. When a school district makes the tough decisions to cut money, 85 cents on every dollar saved accrues to the state. Thus, the only incentive of the districts is 15 cents on every dollar. This legislation drops the reimbursement rate from 85% to 50% on most pupil transportation costs. Items such as safety training and inspections performed by the SDE remain at 85%, as does the cost of bus purchases and maintenance. The balance of the operational costs is brought to 50%.

Regarding third-party contracts, the SDE does not get a statement breaking down what should be reimbursed at 85% versus what should be reimbursed at 50%. This legislation directs the SDE to look at all of the district run operations in the state and look at how much of the cost is reimbursed at 85% versus how much was reimbursed at 50%, and then take the average, which is estimated to end up at about 60%. When the SDE gets the final bill at the end of the year, the districts will then be reimbursed at the blended rate.

Mr. Hancock also addressed block grants, and walked the committee through the process of applying them for fiscal year 2010 and 2011, which is as follows:

$$\left(\frac{FY\ 2010\ Block\ Grant}{FY\ 2010\ Support\ Unit}\right) \times FY\ 2011\ Support\ Unit\ =\ FY\ 2011\ Block\ Grant$$

$$(Inflation\ in\ Transporation\ Costs\ as\ a\ \% - Enrollment\ Increase\ \%) = Inflation\ in\ Transportation\ Costs\ as\ a\ \%, As\ Applied$$

$$(FY\ 2011\ Block\ Grant - Inflation\ in\ Transportation\ Costs\ as\ a\ \%, As\ Applied) + FY\ 2011\ Block\ Grant = Actual\ FY\ 2011\ Block\ Grant\ Distribution$$

Mr. Hancock mentioned that the legislation includes changes relating to Charter Schools. Right now under Idaho Code a Charter School in Meridian could theoretically run a bus to pick up a student in Weiser and report this to the State for reimbursement. Although this has not appeared to be a problem, it remains on the book that it could happen. Through this change in legislation it will be required that a student lives either a) within the district where the Charter resides, or b) within 15 miles by road. The Charter School could go further than 15 miles to pick up the student but it would not be reimbursed by the state if it were to do so.

Mr. Hancock also mentioned that under this legislation charters would have the same rules applied to them as the district in which they were located. For example if it was located in Meridian, the charter would have to follow the per-pupil model of reimbursement.

Senator Andreason pointed out that the Boise School District was singled out for a very high proportion of loss, and requested **Mr. Hancock** address this. **Mr. Hancock** indicated the SDE did not go through the exercise with the intent of targeting any specific district; in running numbers, this was the most economically feasible option.

Senator Winder stated that according to the handout there are approximately 35 districts that are greater than the Boise School District on a per-rider basis when compared to the state average. He then inquired that if it's a per-rider cost that is out of whack, why it doesn't apply to everyone. **Mr. Hancock** indicated that the districts that are most efficiently on the per-mile model and have a high number for the per-rider model are the rural districts, as expected.

Senator Winder inquired that if that stance is taken, and the SDE looks at the Boise School District, where the cost per mile is $3.36 versus the state average of $3.35, if that was a bad thing. **Mr. Hancock** indicated that no, this is good on a per-mile basis, but it is unusual to see this with an urban district. **Senator Winder** wanted to know why the philosophy applied in the case of the Boise School District was not applied across the board. **Mr. Hancock** stated that this would be punitive to rural districts.

TESTIMONY: In the interest of hearing all who wished to testify, **Chairman Goedde** indicated the committee would be wrapping up questions and discussion during the following meeting, and invited **Jan Sylvester** with the Idaho Parent Teacher Association, to the podium to testify in opposition of **H 256. Ms. Sylvester** indicated the IPTA feels some cuts in **H 256** may be justified; however, there are sections of the bill that Idaho PTA does not

support. This specifically includes the reimbursement sections that pertaining to virtual charter schools and the addition of legislation added to alter the calculation of 35% of a school district's reimbursement transportation costs. The IPTA feels the legislation has different provisions for virtual charter versus traditional public schools, and the 35% reimbursement change will fail to provide full funding necessary for on-going transportation costs.

Chairman Goedde thanked **Ms. Sylvester** for her testimony and asked if the committee had any questions.

Senator Fulcher pointed to the testimony by **Mr. Hancock** that there would be no difference in the reimbursement of public charters versus traditional schools. He requested that **Ms. Sylvester** address this statement and **Mr. Hancock** if time would allow. **Ms. Sylvester** indicated her understanding is that the State's share of reimbursable costs would be 85%. It is her understanding that the state share of reimbursable costs to a regular public school would be 50%, and the remaining 35% may or may not come to the districts based on a formula which may or may not cover costs. She indicated she did not see this happening to charter schools.

Mr. Hancock indicated the language referred to refers strictly to virtual charters, and there is currently only one that qualifies. The reason why this is left at 85% is that technology costs go down versus transportation costs. To apply block grants to the virtual schools would be to essentially provide them with a windfall. He also wanted to point out that there have been concerns that charters are getting 60% versus 80%, which is simply a cash-flow provision. When a charter starts up they have no reimbursement because they have no cost from the year prior. They send the SDE an estimate of what they think their transportation costs will be and the SDE provides a percentage of that estimate in cash flow. That is trued up by the end of the year based on their actual costs, just like it would be for other districts.

TESTIMONY: With no further questions for **Ms. Sylvester**, **Chairman Goedde** welcomed **Kerry McClay** with the Bogus Basin Snow School to the committee, indicating that he would prefer if the rest of those present to testify would keep their testimony to about four minutes. **Senator Sagness** stated that though he understands the time limits in the interest of time, he feels it unfair to limit the length of testimony. **Chairman Goedde** noted this, and requested **Mr. McClay** to continue. **Mr. McClay** stated he is in opposition to **H 256**, as programs such as the Bogus Basin Snowschool are not just fun trips; they are educational as well. The issue at hand is about not just transportation, but quality of education as well.

TESTIMONY: With no questions from the committee, **Chairman Goedde** thanked **Mr. McClay** and welcomed **Vince Tromboli,** Community Relations Supervisor for the City of Boise Public Works, to the committee. **Mr. Tromboli** stated he is also in opposition of **H 256,** in part because the Boise Watershed Environmental Education Center was built specifically as an educational trip destination to teach children about the protection and conservation of water. If **H 256** were to pass the Watershed would

have to figure out a way to do more school outreach. However, **Mr. Tromboli** indicated there would be no way to take the millions of dollars worth of exhibits into classrooms.

TESTIMONY: With no questions for **Mr. Tromboli, Chairman Goedde** welcomed **Dr. Wayne Davis** with the Idaho Association of School Administrators to the committee to testify.

Dr. Davis indicated there are three parts of the bill the IASA is concerned with. First, the main concern with the high-density portion of the bill is that while there are only two districts involved at this point, down the road that number may be significantly increased. He would ask that the committee consider allowing districts and local schools to decide what the best decision is.

Dr. Davis also stated the IASA does support cutting field trips, although it is difficult for him as a former educator to support this, and would hope this is only temporary. He indicated it is the responsibility of school administrators to help manage districts in a fiduciary manner, and he would hope the legislature would be quick to reinstate field trips once it was economically feasible.

Finally, the issue of student safety was brought up. **Dr. Davis** stated it is the belief of the IASA that in trying to save money by cutting it from the transportation budget, the district will ultimately affect student safety. Rural areas will still run from point A to point B, regardless of fuel.

TESTIMONY: With no questions for **Mr. Davis, Chairman Goedde** welcomed **Harold Ott,** Executive Director of the Idaho Rural Schools Association. **Mr. Ott** stated he had emailed the 35 districts who are members of the Rural Schools Association, asking them to call him if they were in support of **H 256**; he had zero districts call him back. He then called ten different school districts with superintendents he trusts and business managers he feels are highly qualified, asking them to explain how this legislation would affect their district. Eight of the ten districts said the formula is too jumbled to effectively determine the impact it would have on their district. In short, **Mr. Ott** and the IRSA are opposed to **H 256.**

TESTIMONY: With no questions **Chairman Goedde** thanked **Mr. Ott** and welcomed **Matt Barkley,** president of Idaho Music Educators Association, to testify in front of the committee.

Mr. Barkley indicated he is in town to discuss a convention that is going to be hosted at Northwest Nazarene University next year. **H256** is a concern to many music teachers around the State because of how it will affect music programs.

Mr. Barkley reiterated that teaching goes beyond the classroom. In music, one of the basic standards is performances. Music groups are often asked to perform for communities, and this year the children **Mr. Barkley** instructs had one of the greatest opportunities to perform for the torch relay for the Special Olympics. He stated that if this legislation were to pass, that opportunity would probably not be duplicated.

TESTIMONY: **Chairman Goedde** thanked **Mr. Barkley** and welcomed **A.J. Balukoff,** president of the Boise School Board of Trustees

Mr. Balukoff indicated the Boise School Board of Trustees is opposed to **H256**, specifically the change to the high-density portion of the legislation. Ninety-three percent of the savings will come from the Boise School District, resulting in a 25% reduction in the transportation funding for the Boise School District. The transportation requirements for the district will not change however, so the district will be forced to find that $1.4 million from elsewhere, which will most likely effect classrooms.

Mr. Balukoff responded to statements by **Representative Nonini** and **Mr. Hancock**. Both indicated the intent of the legislation was to have high-density, urban districts use the per-rider method and low-density, rural districts to use the per-mile method. He indicated this was never stated as the intent of the legislation. The minutes of the committee meeting quote **Chairman Goedde** as saying the bill would put a cap on the amount of reimbursement at 103% of the state average, per-mile or per-student, whichever is more favorable to the district. The understanding of **Mr. Balukoff** was such that the districts would always have the choice of whichever method was more favorable as a result.

He also indicated there are routes in Boise resembling rural routes in length, and many small schools don't have a full busload of children that qualify to ride on the bus. It is his opinion that the per-rider and per-mile is misleading. Looking at the BSD costs from 2002 to 2008 they have increased about 5%, or about $300,000. However looking at the per-rider it doesn't appear so. He would contend that the committee could do much better than the proposed legislation, as neither option is the right model.

Senator Schroeder inquired if Boise was a contracted district or if they ran their own buses. **Mr. Balukoff** stated BSD is still contracted; at the suggestion of the legislature the district evaluated whether they should try to have their own system. In the 2006-2007 school year the total transportation costs were $6.4 million. As the analysis was started the budget personnel had just started analyzing salary, benefits and fuel costs and had reached $6 million, without ever getting to maintenance, cost of buses and cost of property.

Senator Sagness indicated he can think of a number of activities where students are transported that are directly instructional, for example special educational services. He inquired if he was right, and if so, if they fell under the field-trip category therefore would not be reimbursed. **Mr. Balukoff** indicated **Senator Sagness** was correct in his assumption that the district operated these programs, but that it was his understanding these would still be reimbursed. Although often these buses are not full, most of the time it is more economical to run a partially-filled bus rather than duplicate a program. In addition, the district has a special education program for emotionally disturbed children that they have to take elsewhere. In these situations you can only have four to six children on a bus at a time otherwise there will be serious problems.

Mr. Balukoff indicated for the benefit of **Senator Sagness** it was his

understanding that they would be reimbursed for these transportation costs, however if this legislation were to pass it would be on a per-rider basis.

Chairman Goedde inquired of **Mr. Balukoff** if it was his feeling that BSD has unique problems in serving the special education and English Language Learner populations. **Mr. Balukoff** stated that it was his understanding that BSD has 180% of the State-wide average of severely emotionally disturbed children.

Senator Kelly stated it was her understanding that BSD has been operating under very clear statutory language for the past five years that allows the district to use either the per-mile or per-rider method, which **Mr. Balukoff** stated was correct. **Senator Kelly** followed by inquiring if the district has made investment into infrastructure and practices to respond to that. **Mr. Balukoff** stated the district has made significant efforts to keep costs down, which he stated could be seen in the districts 5% cost increase from 2002 to 2008 versus the average 36% cost increase by the rest of the state.

The BSD has built its own transportation facilities which have enabled it to control the cost of the bus facility. In addition schools have been consolidated, which has enabled the district to take advantage of routes.

Senator Kelly followed by asking if the rule of the game is changed at this point, will that set the district back on all the work it has been doing? **Mr. Balukoff** indicated that is correct. Districts will do what they have to do to encourage ridership. **Senator Kelly** inquired if **Mr. Balukoff** had any comments on how the change in the reimbursement formula would have effect on the district. **Mr. Balukoff** stated that it is hard given the limited information the district has, but based on best guesses, it will affect districts all over the board.

Mr. Balukoff noted that funding education is difficult, but that core groups have come together to try to establish the best funding formula, and he would like to see a similar process for transportation. **Chairman Goedde** stated he likes the idea of getting people together, but inquired how this would solve this year's problem. **Mr. Balukoff** stated this would not solve this year's problem, but unloading it on one district is unfair; rather, there are other areas that can be addressed, such as textbooks and classroom supplies. **Chairman Goedde** indicated Boise's Maintenance and Operation (M&O) budget for 2009 was $201 million, serving 23,600 children, as compared to Meridian's M&O budget of $198 million, serving 32,272, equating to almost 37% more students in the Meridian school district, on a $3 million less M&O budget. He inquired how this is equitable, and asked **Mr. Balukoff** to address this. **Mr. Balukoff** stated that part of the difference has to do with class sizes, Meridian's being larger. Boise has a much larger ELL program, and a much higher poverty level which draws on free and reduced lunch funds.

TESTIMONY: With no further questions for **Mr. Balukoff**, **Chairman Goedde** welcomed **Nancy Landon**, budget and finance director for the Boise School District, to the committee.

Regarding the disparity between the Boise and Meridian School District M&O funds, **Ms. Landon** stated the Meridian School District has passed a $20 million supplemental levy that is used for maintenance and technology purchases, which is not shown in the general M&O, while the Boise School District has all these costs in the general M&O.

She also addressed the 85% to 50% adjustment, having used midterm units for 07-08 and 08-09 in various districts. She came up with what is considered the new block grant, the 30% of money that will be funneled back to each district. In the first year all districts would be held whole; in subsequent years the wholeness will vary depending on the district. She figured the base block grant in 2007-2008, and then carried it over to the next year. She adjusted for the same formula and allocated the 4% increase **Mr. Hancock** had used. In looking at the formula and the change, the numbers were all over the board. What this told her was that a small rural district losing children will probably lose under this formula. Additionally, losing 10 children in a district such as Council will not change the funding formula, and losing 100 children in a district such as Boise does not necessarily mean they will all be gone from one subdivision or one route area.

Vice Chairman Mortimer indicated he was having a difficult time reconciling why there are such significant differences between the Boise and Meridian Districts. **Ms. Landon** stated the Boise School District has a significantly higher Severely Emotionally Disturbed population, which translates into more special education programs. There are also more ELL students who need to be bused to a special school, as well as a PTE program with the same needs. Additionally, Meridian is a suburban district so by nature the subdivisions that make it up typically mean a bus will fill in a fraction of the stops as a bus in the Boise School District. Finally, Meridian has large schools that draw many students; alternately, Boise has a number of small schools, meaning more bus routes.

TESTIMONY: With no further questions for **Ms. Landon**, **Chairman Goedde** thanked her and welcomed **Janet Orndorff** with the Boise School District to the committee to testify in opposition to **H 256. Ms. Orndorff** indicated that **H 256** effectively implies that inefficiencies are rampant in school district transportation; she would argue otherwise. She also indicated that denying districts the use of the per-mile model may lead to some undesirable consequences, such as placing children on a bus when it is not in the best interest for them, the taxpayers or the district.

TESTIMONY: With no questions for **Ms. Orndorff, Chairman Goedde** welcomed **Bert** Marley to the committee to testify in opposition to **H 256** on behalf of the IEA.

Mr. Marley stated that the IEA feels funds can be made available, making it unnecessary to pass this legislation. The IEA believes this bill to be philosophically driven as opposed to fiscally driven, and also holds concerns with the lack of a sunset clause. The present legislature is unable to obligate a future legislature, so the only way to ensure these programs will be reinstalled is to have a sunset clause in the legislation. A point that has been brought up is that if things change and districts have

to spend more money for transportation, rather than it costing them 15 cents to make that change, it will cost them 50 cents. Such an example can be encapsulated if a district has to close a school and bus children farther. He also believes declining enrollment will be an issue, and stated that one of the things he feels most important is that whenever districts are forced this close to the limit on fiscal issues, one of the first things sacrificed is safety. Certain routes are run, and children are bused in a certain way because of safety.

TESTIMONY: With no further questions for **Mr. Marley, Chairman Goedde** welcomed **Nancy Gregory** to the committee to testify on behalf of the Boise School District. **Ms. Gregory** indicated that the Boise School District was not attempting to game the system when it constructed its new bus barn in the East end of Boise. Consolidating the bus facilities resulted in an estimated 9% increase in total miles (165,000) for the district, but it will save approx $108,000 annually in facility lease expenses, thereby halting the need to pay rising lease costs in future years.

She reiterated the Boise School District is opposed to the "high density" portion of **H 256**, as $1.4 million of the estimated $1.54 million saved would come from the Boise School District, resulting in a 25% reduction in transportation reimbursements for the district. She would instead suggest JFAC look at non-statutory budget items for cuts such as text books, classroom supplies and obsolete testing.

TESTIMONY: With no questions for **Ms. Gregory**, **Chairman Goedde** welcomed **Jennie Rylee**, Environmental Education Coordinator at the Foothills Learning Center, to the committee to testify in opposition to **H 256.** She stated she is concerned that field trips are viewed as "fun days" for kids, without any real educational value. However, she can vouch that field trips to the foothills learning center are educational on a number of levels. All lessons are correlated to local achievement standards and provide real education at grade level, and teachers utilize the facility for experiences they cannot provide in the classroom for students.

With no questions for **Ms. Rylee, Chairman Goedde** thanked her and indicated the committee would continue discussion on **H 256** at the next meeting. He adjourned the meeting at 5:40 P.M.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	March 31, 2009
TIME:	3:00 p.m.
PLACE:	J.R. Williams Building, West Conference Room
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:02 p.m. and requested the secretary take a silent roll.
H 262:	**Representative Nonini,** District 5, presented **H 262** relating to Education; one-year freeze in movement on State salary reimbursement grid, and phase out of Early Retirement Incentive Program (ERIP). He stated the purpose of this legislation is to reduce the cost of the Fiscal Year 2010 (FY10) Public Schools appropriation to minimize the amount that must be cut from teacher and other K-12 staff salaries. Provisions related to reducing costs include the institution of a one-year freeze in movement on the State salary reimbursement grid for years of experience. This will prevent automatic state funding for 3.75 percent raises in FY10 for teachers and administrators currently moving through the grid. This bill also phases out the ERIP for teachers (administrator participation was eliminated in 2003). The legislation also encourages districts to accommodate reductions in state funding for salaries by either reducing the level of pay, or reducing the number of paid contract days, and requires that any reduction in contract days not result in a reduction of student-teacher contact time. **Representative Nonini** advised that horizontal movement across the grid, relating to additional credits teachers accrue by investing their time and money in additional education, is not affected by this legislation. The one-year freeze affects the experience factor in the vertical column. At issue here is the automatic raise of 3.75 percent as a teacher moves through the cells on the experience grid. He pointed out that with all State agencies taking budget cuts affecting salaries and personnel it would not be appropriate to allow school teachers to move through the grid and pick up automatic 3.75 percent pay increases.

Representative Nonini reviewed the history of the ERIP. He stated that an average of 230 teachers or approximately two percent of Idaho teachers have used the program the last few years, and the State appropriation for each of those years has been approximately $4 million. This legislation will cut that appropriation in FY10 in half to $2 million. The payout in FY10 for those teachers electing early retirement will be cut in half to about $9,000, and the program is eliminated completely in FY11.

He advised that the savings projections for the State, if this legislation is enacted, are all based on assumptions. The only actual numbers available come from a review of statistics related to the removal of administrators from this program a few years ago. He stated that with the assumptions used, the provisions related to freezing one year of experience movement on the State salary reimbursement grid will save an estimated $6.13 million in FY10. The provisions related to phasing out the ERIP will save $2 million in FY10. In total, this bill will save the state General Fund $8.13 million in FY10, which equates to one percent of salary.

TESTIMONY: **Tim Hill**, Deputy Superintendent, Division of Finance, Child Nutrition, and Student Transportation, Idaho State Department of Education, spoke in support of **H 262**. He provided a schedule detailing the ERIP payout amounts and analysis of annual savings for the past four years prepared by the Idaho Education Association (IEA) (attachment #1). He stated the purpose of this handout is to explain the assumptions in the analysis and give a range of possibilities based on those assumptions.

The assumptions built into the analysis are: (1) each early retiree is replaced by a staff member earning minimum salary; and (2) each early retiree would have worked an additional three years without this program. He stated it is impossible to tell who replaced who, and he cannot definitely say how much longer each early retiree would have worked without this program. Thus, it is difficult to come up with exact numbers.

TESTIMONY: **Jason Hancock**, Deputy Chief of Staff, Superintendent of Public Instruction, Idaho State Department of Education, spoke in support of **H 262**. He stated that the ERIP was put in place in the 1990s in part due to the Legislature and state policy maker's desire to increase the presence and use of technology in classrooms. At that time some of the teaching workforce were proficient in the use of technology and some were not. One of the rationales for putting in place the ERIP was to provide an incentive for those teachers nearing retirement age, who did not want to make the technology transition, to instead elect the ERIP benefit.

Mr. Hancock stated that the State is currently spending $4 million a year on the ERIP. The action of high cost teachers being replaced by low cost teachers helps to offset the cost of the program. However, he stated that for any teacher that was planning on retiring anyway all this program does is cost the state money. He

further stated that the assumption that all teachers who retire are replaced by a minimum salary teacher may be predominately true, but it is not absolutely true. New teachers are hired at all different points on the grid.

Mr. Hancock pointed out that the reduction in the ERIP benefit for FY10 could result in fewer teachers electing the ERIP. However, because this legislation eliminates the program in FY11, that could induce more teachers who had been planning on taking early retirement to do so in FY10 when they realize this is going to be their last opportunity.

Regardless of the financial impact, **Mr. Hancock** questioned whether the State should be providing an incentive for the departure of our talented teacher workforce from the classroom at a time when it is challenged to find enough qualified teachers to hire. He stated that other state employees, including superintendents, principals, bus drivers, school secretaries and lunchroom employees do not have this program.

Mr. Hancock provided the Committee with a handout detailing the experience and education index for administrative staff from 1994-1995 through 2008 -2009 (attachment #2). The last year in which early retirement incentive payments were made for administrators was FY04. This chart shows that the index multiplier for the administrators that year was 1.86907. If you accept the theory that this programs saves money, the administrative index should have gone up the next year but it did not. It actually went down to 1.86179. Those figures tell us that this program was actually costing money.

Mr. Hancock stated that the other portion of this bill, dealing with the freezing for one year of the experience movement through the grid, is proposed because when you are in an environment where you have to cut budgets you have no choice but to reduce pay increases. He advised the Committee that this freeze is for one year only and will apply in FY10 to approximately 23% of the teacher work force that is moving through the grid. He asked the Committee to keep in mind that this is just the funding calculator that drives the funding for school districts. School districts will have to make their own decisions about how they want to reflect the funding they receive. He stated this would be a fair application, as it would apply to all teachers on the grid, including new hires, and teachers who come in from out of state. He pointed out that the potential savings generated by **H 262** has enabled JFAC to recommend a 2.6 percent budget cut for teachers and classified staff, while personnel costs for other state employees and school administrators were cut by 5 percent.

Senator Sagness stated that from his experience you will not necessarily replace an administrator at a lower salary, and in fact generally the salary would be higher for a replacement in that

category. That could explain the negative salary savings shown by the chart (attachment #2). **Mr. Hancock** responded that it is true that you would not expect the savings to be as large when replacing an administrator.

Representative Nonini stated that concerns in the House as this bill was considered related to the effect on teachers PERSI benefits and how it will affect teachers coming in from out of state. Concerns regarding the possibility of legal action were also discussed. He emphasized that the purpose of this legislation is to spread the cut in K-12 across the board and minimize the impact to teacher salaries.

Chairman Goedde asked for clarification on teachers increases in the past. **Representative Nonini** advised that those teachers reaching another cell on the grid received an automatic increase of 3.75 percent in addition to any increase appropriated by the state.

Senator Sagness inquired who pays legal costs if a lawsuit is filed? **Representative Nonini** advised that if the state is sued the AG defends the lawsuit. If the lawsuit is against the school district, the district's insurer would defend the suit which could drive up future insurance premiums. He advised that the ERIP is not included in any negotiated Master Agreement with any school district, nor is it found in any individual contract between a school district and a teacher. It is a State perk and not provided by a school district. He referred to an Attorney General opinion addressing the question of legal action related to this legislation. In response to further questions **Representative Nonini** advised that the teacher Salary Reimbursement Grid is funded by Idaho Code, but many districts will pay teachers more than what is funded.

Senator Winder inquired whether any consideration was given to keeping the amount of retirement incentive at the $18,000 level and reducing the maximum number of eligible teachers to 115 if 230 was the previous number. **Representative Nonini** advised that has not been discussed.

Senator Kelly observed that there seems to be two different issues in this bill and inquired why they were both included in one bill. **Representative Nonini** advised that both issues are found in Idaho Code 33-1004, under the same title and chapter. Both deal with teacher compensation. **Senator Kelly** also noted the Statement of Purpose related to this legislation indicates it has been revised and inquired what revisions were made. **Representative Nonini** stated that the original Statement of Purpose simply referred to the Idaho Code sections being amended, and the revision includes more specifics regarding the amendments. He advised no changes were made in the language of the bill.

Senator Sagness noted that under **H 252** if a district declares a financial emergency they would be able to open up their Master

Agreement and do what they need to do. He inquired how **H 262,** if enacted, would affect that process. **Representative Nonini** referred the question to **Mr. Hancock**, who advised that any district can work out a certain structure for how they pay teachers and it is going to be higher than what the state allocates next year. That funding gap could drive the district into a situation where their fund balance would drop below 5.5 percent. They could then declare a financial emergency and reopen those compensation aspects of their negotiated agreement, including movement through the grid. If their fund balance does not fall below 5.5% as a result of that funding gap, then they would have to burn through their fund balance until they reach a point, maybe not until FY11, where their fund balance would be low enough that they would qualify.

TESTIMONY: **David Burton**, teacher, Caldwell High School, spoke in opposition to **H 262**. He stated that he is a first year teacher in Idaho and his concern is with the 2.6 percent salary cut and the one-year freeze on the salary grid. He cited beginning teacher wages in nearby states of between $34,000 and 40,000, while Idaho's beginning wage is $31,000. He stated that we should look at the broader picture, and the money saved by the freeze may result in a greater expense in terms of teacher recruitment

Senator Pearce noted that the State has a choice to take more from the average citizen who has already lost jobs and wages and give it to teachers or we can all take a little less and get by.

Mr. Burton stated that he does not like the freeze but understands everyone needs to shoulder the burden. His concern is that the additional 2.6 percent cut in wages is excessive

TESTIMONY: **Sherri Wood**, President, Idaho Education Association (IEA), spoke in opposition to **H 262** (attachment #3). **Ms. Wood** provided the Committee with a handout graphing the number of teachers on the salary grid that would be impacted by the one-year freeze (attachment #4). She stated that rather than affect 23 percent as suggested in previous testimony, that actually 45 percent of all Idaho teachers would be impacted by a freeze in experience steps. She stated that the only teachers who would not be affected by a freeze in the experience step would be those who are currently sitting at the bottom steps of the salary grid. She emphasized that it is IEA's belief that the Legislature does not need to cut teachers' salaries at all. Between the federal stimulus funds and the various rainy day accounts Idaho has in place, there is enough money to cover the budget shortfalls facing public schools.

Ms. Wood further stated that the ERIP has been an important program to the state. She advised that over the years, the IEA has tracked the value the ERIP has brought to the state. In order to do so, they have made several assumptions. These assumptions are as conservative as possible and are based on information provided by PERSI (attachment #5). Based on their calculations, they believe

the ERIP has saved the state in excess of $90 million since its inception in 1996. She further addressed the legal aspects of eliminating the ERIP, stating that it is the opinion of IEA that under current Idaho law, teachers have a vested, legal right to receive early retirement benefits if they qualify and elect that option.

Ms. Wood advised that it is IEA's opinion also that to the extent that the Legislature may modify, as opposed to repeal, early retirement benefits, the law is clear that the Legislature may only do so if it provides comparable and equitable new benefits to the affected teachers in exchange for the modification. She stated that for these reasons, and both because the Legislature may not impair the vested rights of Idaho teachers and may not modify, let alone repeal, those rights without providing comparable corresponding benefits, **H 262**, if enacted, would be subject to legal challenge.

Senator Winder questioned the method by which IEA came up with the $90 million savings as the chart provided did not explain how the savings were calculated. **Ms. Wood** responded that IEA used the assumption that the teachers who took early retirement were at the top of the state salary grid and the people replacing them would be at the beginning of the salary schedule.

TESTIMONY: **Lori Steiniker**, Special Education Teacher, Payette High School, spoke in opposition to **H 262**. She stated there is a need for a stable income that allows teachers to provide for their families. She assured the Committee that teachers understand that our nation is in the midst of an economic crisis, but what they do not understand is why the Legislature does not use the "rainy day fund" and stimulus package to get us through this crisis. She advised that a decrease in salaries and one-year freeze on the salary grid will result in an exodus of teachers, and the final result will be reduced student achievement.

Ms Steiniker stated that the wage cut and grid freeze would not cause her personally to leave her profession, because she was born to teach. However, she finds it necessary to take on additional jobs to provide for her family. She currently coaches and teaches night school and plans to teach summer school to make end meet. She advised that the reduction in pay may mean that she looks to other states, and if the chance arises, she would make a move in order to provide for her family.

Senator Fulcher thanked **Ms. Steiniker** for her service, and pointed out that the state of Washington has just passed an eight percent cut in teacher salaries.

TESTIMONY: **David Lawrence,** Math and Physics Instructor, Centennial High School, spoke in opposition to **H 262**. **Mr. Lawrence** addressed the effect of this legislation on his plans for retirement. He was considering taking the ERIP this year with the thought that the incentive would cover insurance cost until he reaches medicare age.

If this legislation is enacted he may have to reconsider his plans and continue working for an additional three years. He provided some figures calculating his early retirement incentive and comparing the savings to the school district over a three year period if he were to take early retirement and was replaced by a teacher at the bottom of the salary grid (attachment #6).

TESTIMONY: **Julie Dillehay**, Counselor, Valley View High School and the College of Idaho, spoke in opposition to **H 262.** She stated that her education allows her to assess mental illness of children and adults. Her concern is that if **H 262** is enacted it will not just have a financial impact on teachers, but also an emotional impact. As a mental health counselor for 18 years, she has seen the stress created by individuals losing benefits in the workplace and the long term effects on physical and mental health of the individual and in their job performance. Despite how hard a teacher may try to mask their fear and concern, children will know that things are not okay. Her experience tells her that children often believe that somehow what is wrong with the adults in their life is their fault, and this will have a direct impact on how well they learn.

Ms. Dillehay concluded with the request that the Committee consider the financial and emotional impact that passing this bill will have on the lives of our teachers as well as our children.

TESTIMONY: **Stephanie Drechsel**, English teacher at Caldwell High School, spoke in opposition to **H 262**. She stated that in her opinion the State should use all the stimulus funds available to avoid wage cuts. She spoke about the needs of beginning teachers and how close their salaries are to poverty level. She related the need to reform our school salary system to support our schools. She stated that teacher's wages do not compare favorably with other professions and although teachers do not enter the profession with the hopes of becoming wealthy, they do deserve a wage that will allow them to repay student loans and take care of the needs of their families.

TESTIMONY: **Malcolm Collie**, Teacher, Meridian High School, spoke in opposition to **H 262**. **Mr. Collie** addressed the need for experienced teachers in the school system and specifically, second career teachers like himself. He reviewed his educational and professional background, and stated that his ability to share life experiences and skills has contributed greatly to his effectiveness as a teacher and his ability to relate to students. **Mr. Collie** teaches senior English and feels he has been a positive influence in helping students make the decision to pursue military careers and careers in government service.

Mr. Collie stated that not all first year teachers are recent college graduates with few responsibilities or commitments, and many are in his position with families to support. He advised that the teacher salary scale is a deterrent to other professionals who may wish to go into teaching as a second career. He pointed out that by freezing teacher salaries at the low end of the scale you risk cutting off a

valuable resource that can inspire young people to go on and make a difference.

TESTIMONY: **Harold Ott**, Executive Director, Idaho Rural Schools Association, and representing the Idaho Association of School Administrators, spoke in opposition to **H 262.** He stated a question frequently asked of him by administrators who help in the management of the school districts in Idaho is whether the legislators understand that when the experience factor is frozen for a year, it does not necessarily, nor does it automatically, save the school district money. His concern is for the districts, he estimates about 50 percent of them, that will not have a fund balance of 5.5 percent or less to qualify for a financial emergency. They will not have the 3.75 percent experience funding available to them and they are going to have to pay that out of district money.

Chairman Goedde noted that the Joint Finance Appropriations Committee (JFAC) set budgets, and must cut $69 million out of the education budget. He inquired if it would help administrators if the $8.13 million were rolled out of this bill and into salary and benefit cuts. **Mr. Ott** stated that administrators across the state put together a proposal to deal with salary cuts and submitted it two months ago. That proposal would cut at least $8.13 million and they would prefer those cuts rather than this salary freeze.

TESTIMONY: **Representative Nonini** provided some closing comments responding to remarks during the testimony. Regarding losing teachers to other states, in noted that Washington just cut salaries by eight percent and California and Oregon have been cutting staff He stated that Idaho has committed over 70 percent of the stabilization fund and stimulus dollars. The funds remaining in the stabilization fund may be necessary for anticipated shortfall in FY09. He emphasized that the Legislature has done its best to try to keep teachers whole in FY09.

Regarding **Mr. Otts** comments on **H 252** and school district declaring financial emergencies, **Representative Nonini** stated that the provisions of **H 252** were negotiated by all stakeholders, including school administrators and school boards.

Senator Kelly inquired if **H 262** was a part of the discussion during negotiations on **H 252. Representative Nonini** responded that it was not.

TESTIMONY: **Mr. Hancock** provided some closing comments regarding testimony that with the freeze some teachers could not qualify for retirement until 69 years of age. He pointed out that for all of those who are vested, service retirement is at age 65. He stated that the stabilization fund balance will be used for known future obligations, and to plug the FT10 budget where one time money has been used to cover on going costs that will need to be renewed in FT11. It will be tapped at the end of FY09 because some of the actual statutory distributions are coming in higher than the levels appropriated - like

transportation. The state must cover a portion of the bond levy equalization costs for FY11 and we have no other source of money for that. He advised that after all the known obligations there will be a balance of $56 million. That $56 million will need to cover the general fund shortfall in FT09, FY10, and FY11.

Senator Sagness quoted an Idaho Statesman article questioning whether Idaho is using the education stimulus money in the manner in which it was intended, and inquired whether Idaho was in danger of losing any of those funds. **Mr. Hancock** stated he had not seen the article, but from his reading of federal legislation, the $165 million in stimulus funds dedicated to public schools has been appropriated into the public schools budget with the exception of the $20 million which has been preserved for FY11, when it will be appropriated to public schools budget. **Chairman Goedde** advised that IEA had provided JFAC with some information that could have been interpreted to mean that Idaho had to use all the stimulus money to fill the holes in FY10, which would leave nothing for FY11. He indicate that he had checked with the National Conference of State Legislatures and the Education Commission of States and there was nothing to suggest that Idaho is using the stimulus money inappropriately. Other states are using stimulus money in a similar manner.

Senator Kelly noted that JFAC has made these recommendations, but the Legislature has not appropriated anything yet. **Mr. Hancock** agreed with her.

MOTION: **Senator Mortimer** made a motion, seconded by **Senator Pearce** that **H 262** be sent to the floor with a do pass recommendation.

In discussing his motion, **Senator Mortimer** stated that these funding decisions have been very hard to make. The economy has required deep cuts in state government. This bill may not be perfect, but Legislators have tried to make the best decisions.

SUBSTITUTE MOTION: **Senator Schroeder** stated that he thinks the Legislature could have done better for Idaho's children with some fiscal scenarios in which we could have used more of the stimulus money for education. He made a substitute motion, seconded by **Senator Sagness** that **H 262** be tabled.

Vice Chairman Mortimer - Nay
Senator Schroeder - Aye
Senator Andreason - Aye
Senator Fulcher - Nay
Senator Pearce - Nay
Senator Winder - Nay
Senator Sagness - Aye
Senator Kelly - Aye
Chairman Goedde - Nay

The substitute motion failed.

ORIGINAL MOTION DISCUSSION:

Senator Winder agreed that the funding decisions have been particularly hard for him as his daughter teaches in the district, and is a single parent raising two children. He stated that it is not lightly that any of the Committee members make this decision, but he does not think it is without a full understanding of the potential impact to the individuals involved.

Senator Sagness stated that he had experienced this as an administrator in the early 1980s when things were worse than they are right now in terms of the money that was available. His experience was in higher education but the long term impact was huge. He is further concerned that we are giving the local districts control but not providing the money to deal with the issues.

Senator Kelly questioned the financial benefits of this legislation. She noted that the sponsor himself indicated that the assumptions are what you make of them, and those assumptions produce different numbers related to the benefits and cost of this legislation. She stated in her professional capacity as an attorney, it is her belief that there will be litigation as a result of this bill. It is her feeling that the issues included in this legislation should have been negotiated with school districts, administrators, teachers and legislators in a manner similar to that used with **H 252.**

Chairman Goedde passed the gavel to **Vice Chairman Mortimer** and requested **Senator Kelly** yield to inquiry. **Senator Kelly** agreed, and **Chairman Goedde** asked in her professional knowledge as an attorney, whether she thought local districts might be sued as a result of the passage of this bill, or if the liability would be with the State. **Senator Kelly** stated that she had not had a chance to review the Attorney General opinion and other communications related to this matter, but would say whoever has the obligation to fulfill those expectations is at risk of suit, and that could very well be both the school district and State.

VOTE ON ORIGINAL MOTION:

Vice Chairman Mortimer returned the gavel to **Chairman Goedde** who asked the secretary to take a roll call vote on the motion to send **H 262** to the floor with a do pass recommendation.

Vice Chairman Mortimer - Aye
Senator Schroeder - Nay
Senator Andreason - Nay
Senator Fulcher - Aye
Senator Pearce - Aye
Senator Winder - Aye
Senator Sagness - Nay
Senator Kelly - Nay
Chairman Goedde - Aye

The motion passed.

H 256:

Chairman Goedde announced that there have been some developments on **H 256** and a suggestion has been made to send it to the 14th Order for possible amendment. He cautioned the Committee that doing so does not necessarily guarantee that the recommended amendment is going to be the amendment that passes.

Senator Sagness asked if after sending a bill to the 14th Order for amendment it can be referred back to the Committee? **Chairman Goedde** advised that it is his understanding that the bill then would go to the floor and there is no option for it to come back to the Committee. **Senator Kelly** stated there may be a rule option to refer it back to Committee with a majority vote, but that is highly unusual.

Senator Fulcher stated that he understands the need for **H 256**; however, he cannot support the bill as it stands because of the fact that it hits only one district. He agreed that there is risk in sending this bill to the 14th Order for amendment, but the effect of holding it necessitates that the education budget be reopened. He shared that his intent in moving the bill to the 14th Order would be to eliminate the density feature of the bill.

MOTION:

Senator Fulcher made a motion, seconded by **Senator Pearce** that **H 256** be sent to the 14th Order for amendment.

The Committee discussed the impact of eliminating the density feature of the bill on other school districts. **Chairman Goedde** advised that it was his understanding that by eliminating the density feature of the bill the districts will be reimbursed on transportation costs just as they have been in t he past. He further advised that the fiscal impact of that amendment would be $1.5 million and JFAC will need to find a way to address that.

SUBSTITUTE MOTION:

Senator Schroeder made a substitute motion, seconded by **Senator Andreason**, that **H 256** be held in Committee.

The Committee discussed the results of holding the bill in Committee. **Chairman Goedde** advised that if that is the decision of the Committee, any statutory changes would again have to pass through both the House and Senate and JFAC would have to reopen the budget. He further advised that should the bill go to the 14th Order, he would like to see language attached that would recommend an interim committee to look at the funding formula for transportation. **Senator Winder** noted this is a significant portion of state dollars and he thinks it is worth the effort and the time it would take to really look at this. **Senator Kelly** advised that she is skeptical about approval of an interim committee study in this economic time. She further stated that she did not agree with the assessment that reimbursement would continue as it has if the density feature is eliminated, and she still has concerns about the cut in field trip funding.

Senator Schroeder requested a roll call vote on the substitute motion to hold the bill in Committee.

Vice Chairman Mortimer - Nay
Senator Schroeder - Aye
Senator Andreason - Aye
Senator Fulcher - Nay
Senator Pearce - Nay
Senator Winder - Nay
Senator Sagness - Aye
Senator Kelly - Aye
Chairman Goedde - Nay

The substitute motion failed.

VOTE, ORIGINAL MOTION: **Senator Schroeder** stated that he feels this bill is constructed in such a way to target the Boise School District and is unfair. He requested a roll call vote on the original motion.

Vice Chairman Mortimer - Aye
Senator Schroeder - Nay
Senator Andreason - Aye
Senator Fulcher - Aye
Senator Pearce - Aye
Senator Winder - Aye
Senator Sagness - Nay
Senator Kelly - Nay
Chairman Goedde - Aye

The motion passed.

ADJOURNMENT: **Chairman Goedde** adjourned the meeting at 5:22 p.m.

Senator John Goedde
Chairman

Sara Pealy
Secretary

Lois Bencken
Assistant Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	April 1, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Sagness
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** called the meeting to order at 3:05 P.M.
H 251:	**Chairman Goedde** welcomed **Representative Rich Jarvis** to the committee to present **H251,** as it relates to building plan reviews for schools. Currently school districts are required to have building plans reviewed by both the Division of Building Safety (DBS) and the jurisdiction in which the building is located, if that jurisdiction requires it. This has resulted in some districts being charged double for plan review. The proposed legislation would authorize districts to pick whether they want the DBS or the local jurisdiction to review plans, and would require the reviewer to be certified in the event the construction was appraised at more than $100,000. Plans for construction appraised at less than $100,000 would still be required to be reviewed, but the reviewer would not have to belong to an eligible reviewing program. The legislation does spell out exactly what requirements must be met for someone certified to review a building plan. **Representative Mack Shirley,** co-sponsor of this legislation, testified that in his own district there have been three schools constructed recently, two of which were required to have their plans reviewed by both agencies (the third was outside city limits and thus was not subject to requirements by the jurisdiction to have plans reviewed). This cost the district in excess of $240,000 in duplicate plan reviews, and it has been proven that in at least 14 districts across the state this problem exists. He pointed out that there would be no increase to the state general fund—in fact, it would be a loss to the cities and the State, but it would allow the districts to retain that money. With no further comments the representatives stood for questions. **Senator Winder** asked how the $100,000 minimum on work was

established. **Representative Jarvis** stated this came from DBS. The number in the original legislation was $25,000, but DBS recommended $100,000 as a more feasible number given inflation and increase in cost of material and labor.

Chairman Goedde welcomed **Kelly Pearce,** Administrator for the Division of Building Safety, and **Patrick Grace**, Attorney General for the Division of Building Safety, the committee to answer questions. In response to questioning by **Senator Kelly, Mr. Pearce** stated the plan review was necessary to ensure the safety of children as well as a guarantee to the citizenry who are responsible for paying back bonds which are taken out on the building. At today's costs, $100,000 is not a major modification to a building; it is akin to a $25,000 project in the early 1990's, which was when this legislation was passed, and the requirement then.

Senator Winder noted that in the legislation, it appears that schools undertaking less than $100,000 worth of modification to their building would still have to have their plans reviewed. **Mr. Grace** indicated this is correct. The legislation was designed to provide flexibility for school boards. Renovations for less than $100,000 do have to have their plans reviewed, but reviewers do not have to be part of an eligible reviewing program.

With no further questions from the committee, **Chairman Goedde** welcomed **Mike Vuittoney** on behalf of the Meridian School Board and the Legislative Coalition of Schools Across the Treasure Valley to testify.

Mr. Vuittoney indicated this was an issue the coalition had come up with this year, as over the last two years an excess of almost $750,000 has been spent in duplicate fees. The Meridian School District will be building a new elementary school in the next few months, and without the passage of this legislation it will be spending $40,000 or more on plan reviews. In discussing this legislation there was agreement among all involved parties that the reviewing process was not an efficient use of tax-payer money.

MOTION: **Senator Andreason** moved to send **H 251** to the floor with a do pass recommendation. The motion was seconded by **Senator Fulcher**. It carried by voice vote. **Senator Andreason** will carry the bill on the floor.

Chairman Goedde passed the gavel to **Vice Chairman Mortimer** and stood to present S 1165, relating to a definition of rural schools.

S 1165: **Chairman Goedde** indicated that this legislation would define rural schools. Under current legislation there is no such definition and without it rural schools are ineligible for federal money and grants they should otherwise be eligible for. This legislation comes at the request of the Rural Schools Task Force, and although it is not exactly what the task force was looking for in a definition, they are aware of the legislation and have expressed no concerns. He stated there are less than 15 districts that would not be considered "rural" under this legislation, and those that are included could avail themselves of additional federal money.

Senator Kelly stated it appears this is being passed into the school part

of the code, rather than passed into the definition section. She inquired if the term rural school was used somewhere else in code in that it would be affected by this definition. **Chairman Goedde** indicated he was unaware if rural school was defined elsewhere in code.

MOTION: **Senator Schroeder** moved to send S 1165 to the floor with a do pass recommendation. The motion was seconded by **Senator Andreason.** The motion passed by voice vote. **Chairman Goedde** will carry the bill on the floor.

H 245: **Chairman Goedde** welcomed **Representative Brian Cronin** to the committee to present **H 245,** as relating to the Parents as Teachers Family Support Act. **Representative Cronin** indicated this bill would provide statutory authority to operate the Parents as Teachers program, which operated in Idaho from 1999 to 2007. This encompasses an overarching program philosophy to provide parents with child development knowledge and parenting support. It is the largest parent education program in the country.

Program goals include increasing parent knowledge about early childhood development; increasing school readiness and success; providing early detection of health issues and developmental delays; and preventing child abuse and neglect. The model has four components for achieving those goals, including personal visits, group meetings that allow parents to network with other parents, early detection screening for possible developmental delays or health and hearing issues, and a resource network to connect parents with needed resources in the community.

Representative Cronin indicated the program was originally started in 1999 by executive order under then-Governor Kempthorne as part of the Generation of the Child initiative which was later rolled into the executive office of families and children. Parents as Teachers initially represented a very small portion of the $1.5 million the legislature appropriated for Generation of the Child. That money was actually part of the State's TANF block grants. The amount of money appropriated to the program grew based largely on the documented success of the program. There were 33 sites in 120 communities across the state. Thirteen of those were administered by UI extension offices, and another was administered in school districts by non-profit organizations.

Having been established under executive order, the program was also able to be terminated under executive order, as was the case in 2007. This was largely over objections to the use of the TANF grants. In 2006 a review was done of the program, and the Parents as Teachers program was heavily supported, largely because of its documented success.

This legislation does not create a government program mandating participation; it is 100% voluntary. It also does not appropriate any general fund, state or federal money at this time. It is creating a bucket should the money come available some time in the future.
Representative Cronin indicated the new administration is giving these types of programs some priority, and the result is that money may come available. Were money made available to states, it could be funneled into

this program.

The Idaho Children's Trust Fund was chosen to administer the program because it was established as an act of the legislature in 1985 to promote family well-being in the State which dovetails well with the aims of Parents as Teachers.

Senator Schroeder inquired if former First Lady Patricia Kempthorne would be involved if this program were reinstated. **Connie Davis**, state leader for the Parents as Teachers program, indicated Ms. Kempthorne has many things going, although she would probably be inclined to help when she could.

Chairman Goedde indicated he has seen the program in operation within the last 6 months, and inquired if the program was operating in parts of the state. **Representative Cronin** indicated this was the case, but in these instances the programs have had to find funding elsewhere.

Senator Winder inquired if there are provisions made for home visits such as background checks and training. **Michelle Fleming**, herself a Parent Educator for Family Advocates, stated there is a program in St. Louis the educators go through, as well as background checks.

Senator Kelly inquired if there is any money for this currently. **Representative Cronin** stated there are no funds at the time, but the legislation would seek to establish an account in the event such funds do become available. He also stated the Children's Trust Fund would retain the fiduciary responsibility and would be supervised by the Department of Health and Welfare. The bucket itself is kept entirely separate from the other money that the Children's Trust Fund currently expends.

Senator Pearce inquired how the Governor would respond to a legislative requirement to reinstate the program as he is the one who canceled the original program. **Representative Cronin** stated it was his understanding that the only objection and reason for terminating the original program lay in the opinion that it was an inappropriate use of Federal money, as was documented in correspondences. The governor also had the foresight that the TANF money would diminish over time, which it did.

Vice Chairman Mortimer inquired what "local agency," as referred to in the legislation, means, and what services may be provided by these local agencies. **Representative Cronin** stated this is a broad definition of the agency, a community based organization, which could be a non-profit, a school district, or the University of Idaho extension office. Responding to further questioning, **Representative Cronin** indicated it could also include the Department of Health and Welfare.

MOTION: **Senator Schroeder** moved to send H 245 to the floor with a do-pass recommendation. It was seconded by **Senator Kelly**. **Chairman Goedde** indicated a roll-call vote was in order.

Vice Chairman Mortimer – Nay
Senator Schroeder – Aye
Senator Andreason – Aye

Senator Fulcher – Nay
Senator Pearce– Nay
Senator Winder – Aye
Senator Kelly – Aye
Chairman Goedde – Aye

The motion passed. **Senator Schroeder** will carry the bill on the floor.

With no further business of the committee, **Chairman Goedde** adjourned the meeting at 4:50 P.M.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	April 7, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Pearce, Fulcher, Winder, and Kelly
MEMBERS ABSENT/ EXCUSED:	Senators Andreason and Sagness
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*
MINUTES:	**Chairman Goedde** welcomed **Donald J. Soltman** to the committee to introduce himself for his appointment to the Idaho State Board of Education.
GUBERNATORIAL APPOINTMENT HEARING:	**Mr. Soltman** gave the committee a brief background, stating he is originally from Grangeville, and spent 11 years in the United States Air Force. He received a Bachelor of Science in Life Science from the United States Air Force Academy, and a Masters in Health Administration from Baylor University. He has been working at Kootenai Medical Center since 1983, and has had a life-long interest in education. This manifested in 13 years spent on the Lakeland School Board, 2 years as the Region 1 representative for the Idaho School Boards Association, four years on the professional standards commission, and time spent helping develop graduation standards for science for Idaho students. At the questioning of **Senator Kelly** he indicated his experience with higher education has been limited to his own personal experience in his undergraduate and graduate degree.

Chairman Goedde asked **Mr. Soltman** to address the establishment of a medical school in the State. **Mr. Soltman** stated he feels the position the SBE chose to take in January is correct. Though he believes having a medical school in the State would be beneficial, it is not economically feasible given the current economic situation. Thus the focus should be on expanding seats in training programs in other schools.

Vice Chairman Mortimer inquired about **Mr. Soltman's** opinion on tuition hikes for students. **Mr. Soltman** indicated the schools have done an excellent job documenting the cuts they have already sustained. No one wants to balance books on the backs of students, but the reality is that costs go up. Having attended the meeting in which the cuts were decided, **Mr. Soltman** indicated he felt the presentations were well done

but that the SBE had made the right decision in raising tuition costs.

Vice Chairman Mortimer followed by inquiring how **Mr. Soltman** would improve K-12 education. **Mr. Soltman** indicated refocusing the SBE to address higher education while leaving the State Department of Education to address the affairs of K-12 education is a good start.

Senator Fulcher asked **Mr. Soltman** to address the roll of the State in pre-kindergarten education. **Mr. Soltman** stated there are many benefits to pre-k education, but at this point the issue is funding.

Senator Fulcher asked if **Mr. Soltman** was familiar with the SBE's realignment of duties as they have been addressed by the legislature this year. **Mr. Soltman** indicated he supports the direction of refocusing the SBE on higher education, and feels this new direction is refreshing.

Senator Winder inquired what **Mr. Soltman** saw as the biggest challenges for higher education for the next five to ten years. **Mr. Soltman** stated he felt financial concerns, and the continuing dialogue on the law school and a potential medical school.

Senator Pearce asked what kind of out of the box ideas **Mr. Soltman** was looking forward to bringing to the table. **Mr. Soltman** indicated he is a critical thinker by educational nature, and noted that as he is not a graduate of an Idaho institution he does not hold any of them as sacred cows.

Senator Kelly inquired if **Mr. Soltman** had any preexisting thoughts regarding the law school. **Mr. Soltman** stated his only position is that of the board from the year prior, which is to bring L3 students to Boise. **Senator Schroeder** stated there are people in Moscow who believe bringing part of the law school to Boise would lead to the eventual relocation of the whole school, and requested **Mr. Soltman** address this. **Mr. Soltman** stated he does not believe the whole school should be moved, and in fact his discussion with the Dean of the Law School was just the opposite.

Senator Schroeder indicated the state is in the process of hiring a new president for the University of Idaho, and asked what improvements **Mr. Soltman** may recommend to the process. **Mr. Soltman** stated that he has not been involved with the process as he is not on the board currently, but feels that given what he has read in the papers the search was done well.

Senator Schroeder also indicated that Washington schools will be eliminating slots for students, and asked how Idaho could take advantage of this. Having not seen the numbers, **Mr. Soltman** indicated Idaho could benefit, particularly for students who are from the northwest.

Senator Kelly inquired if **Mr. Soltman** had thought much about charter schools and school choice, and the channeling of traditional public school money into these schools. **Mr. Soltman** stated he feels that

charter schools can work, although the pot of money is only so big so the distribution is one which would have to be worked on. **Senator Kelly** also asked about **Mr. Soltman's** opinion about home-school registration. **Mr. Soltman** stated the Lakeland School Board did get involved with home-schooled children in that they required testing for entrance into the public school system. She followed by inquiring about how the School for the Deaf and Blind should be dealt with, and **Mr. Soltman's** thoughts on consolidation versus distribution of services. **Mr. Soltman** stated this is the broader role of the SBE, although it is his understanding that this will no longer be an SBE duty, because of the legislation that was going through.

Chairman Goedde thanked **Mr. Soltman** for his time and stated the committee would be voting on his appointment at the next meeting.

MOTION: **Senator Pearce** moved to approve the minutes from March 5, 2009 and March 10, 2009. The motion was seconded by **Vice Chairman Mortimer.** It carried by voice vote.

MOTION: **Senator Winder** moved to approve the minutes from March 11, 2009 and March 17, 2009. The motion was seconded by **Vice Chairman Mortimer.** It carried by voice vote.

With no further business of the committee, **Chairman Goedde** adjourned at 3:30.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	April 8 , 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	Senator Andreason
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:00 P.M. He requested the secretary take a silent roll.

H 84: **Chairman Goedde** welcomed **Representative Donna Pence** and **Representative Branden Durst** to the committee to present **H 84** regarding the age at which a child may enroll in first grade if they have attended a private kindergarten.

Representative Pence indicated that currently a child who has attended a private, out-of-state kindergarten may enroll in a public first grade class regardless of the age. A student who has attended a private, in-state kindergarten however must be at five years of age on or by August 31 of the year in which they are enrolling in first grade. If they are not five by this time they are required to repeat kindergarten.

The proposed legislation would mandate a State Department of Education (SDE) approved entrance exam for all students entering the first grade who are under the age of five, regardless of where they attended kindergarten. This was not required previously.

Representative Durst directed the committee towards Attorney General Opinion 93-4 in which Attorney General Larry Echohawk stated "if a child has completed a kindergarten program but is not six years old prior to August 16 [then the cutoff date for enrollment in first grade] that child may, but is not entitled to, enter the first grade. The school personnel will determine what is an appropriate placement of that child."
Representative Durst indicated it was his belief that Attorney General Echohawk was working from the premise that the delineation between private in-state and private out-of-state is artificial.

Representative Durst stated that in border communities parents may opt to enroll children in a private out-of-state with the express intent of

enrolling them in the first grade in-state a full year younger than they would otherwise be allowed. **Representative Durst** also indicated there may be a small positive fiscal impact, as the district would not have to double up on student fees for those who have to repeat kindergarten. Additionally, there are aspects of student well-being that should be considered: if a student has to repeat kindergarten, they are more likely to become bored and disruptive.

Senator Sagness inquired what happens if the child passes all the criteria but the principal feels the child is not socially ready to enter. **Representative Durst** stated that in such a case the school district retains the ultimate authority.

Vice Chairman Mortimer indicated he would like to see a change of "shall" to "may" in the legislation to encourage districts to chose the option which is in the best interest of both student and school. **Representative Durst** indicated he believed the school district also retained that authority.

Representative Pence stated this bill was developed out of an instance in the Wood River Valley where a parent felt their child was capable of entering the first grade. They approached the principal and superintendent, who agreed to give the child an assessment. The child passed the educational assessment, although the principal was still hesitant. The child was allowed to go to school on a two week trial, during which time her social skills were assessed by the teacher.

Senator Kelly inquired if there would be a cost associated with the assessment. **Representative Pence** stated the cost would be to have someone present to assess the child. **Representative Durst** stated that school psychologists have a different timeline in terms of their contract period, and these are the people who would most likely be administering the assessment; as such there would be no additional personnel costs. **Senator Kelly** followed by inquiring if it was the intent to administer the test 10 working days prior to the start of school. **Representative Durst** stated that was the intent, if the school had students who would utilize the legislation.

Senator Schroeder asked how many students were expected to utilize the legislation annually. **Representative Durst** indicated this number would fluctuate year to year, but it was his guess that in the neighborhood of two to three dozen students may utilize it state-wide.

Chairman Goedde inquired why the committee had been provided with a copy of an Attorney General's opinion that was 15 years old, and if **Representative Durst** had tried to get an updated opinion. **Representative Durst** indicated he had provided this opinion as it referenced this particular piece of Idaho code, which has not changed since then. **Chairman Goedde** stated that although the code may not have changed, the court interpretation of the code may have.

Chairman Goedde welcomed **Jennifer Terry**, a parent who would be affected by this legislation, to the committee. **Ms. Terry** indicated she is

in support of this legislation, stating that she is the parent of a four-year-old who misses the Idaho cut off by virtue of her September 22nd birthday. Her preschool teachers have recommended her enrollment in a state-approved private kindergarten, at which point she would like to see her enrolled in a public first grade. Unfortunately because of her birthday, under current law this is unachievable. **Ms. Terry** also stated that she is in full support of the testing process, as it would ensure that all children enrolling in first grade are ready regardless of their age.

Chairman Goedde welcomed **Jason Hancock,** with the SDE, who indicated the SDE is in support of **H 84.** The SDE feels this addresses a fairness issue, placing long-time residents of Idaho on equal footing as those who are from out-of-state. The SDE feels the testing process is something that can be developed and adopted fairly easily as many districts already have these kinds of assessments.

Vice Chairman Mortimer inquired if the use of "shall" versus "may" would affect the SDE's support of this legislation. **Mr. Hancock** indicated he didn't believe it would. He indicated he believed it to be within the scope of the district's authority to refrain from allowing a child to enter first grade if they were not socially ready. **Vice Chairman Mortimer** followed by indicating his concern lay in part in the possibility of overcrowding, and inquired if using "may" could prevent this. **Mr. Hancock** indicated in the grand scheme of things this probably would not have much of a fiscal impact either way.

Chairman Goedde indicated it appears to him that an in-state child has to be five years old by the first of September to enter kindergarten. When looking further down the legislation, he stated it appears provisions are only being made for in-state private kindergartens, not in-state public kindergartens. **Mr. Hancock** stated this is correct.

Senator Pearce stated it appears that the proposed legislation would favor children who move in from out of state and whose parents enroll them into private school, and inquired about the equity of such an arrangement. **Mr. Hancock** stated this legislation does draw lines, although it draws them a little more generously.

Representative Durst readdressed **Vice Chairman Mortimer's** question about the use of "may" versus "shall" in the legislation. He stated "shall" is already in current code, but schools have still utilized their own discretion regarding enrolling students. He also addressed **Senator Pearce's** equity question and where the line is going to be drawn. He stated the only reason the legislation is trying to make the distinction between private and public schools is that that distinction has been artificially made by in-state and out-of-state kindergartens. However, where the legislation is more generous in letting students enter first grade, it is also more restrictive in that it requires the passage of an entrance exam.

Chairman Goedde stated it appears there is a line being drawn at the state border, saying that anyone participating in a kindergarten outside of the state can be admitted to an in-state public first grade. With the

change in legislation, not only will students who have attended out of state kindergartens be admitted, but students who have attended private in-state kindergartens will be allowed to enroll in first grade regardless of their age. Thus, under this legislation the only students under the age of six who are not allowed to enroll in first grade are those who have attended public in-state kindergartens. **Representative Durst** indicated that this is accurate; he also stated that to make this available to all students, including those who have attended a public in-state kindergarten, the age of enrollment in kindergarten and first grade must be lowered in Idaho code.

Senator Schroeder inquired what the cost of daycare is versus the cost of going to a private kindergarten. **Representative Durst** indicated it was almost identical, being approximately $6,000 for ten months.

MOTION: **Senator Sagness** moved to send **H 84** to the floor with a do pass recommendation. The motion was seconded by **Senator Schroeder.**

Chairman Goedde indicated it was his feeling that this legislation would create more inequity. In border communities this may be a possible scenario, but the number of families in a position to take advantage of the legislation the way it is currently written is much smaller than would be the case if the proposed legislation were to pass. He indicated he sees this as creating a two-class system in the state, and he is not comfortable doing that.

Senator Schroeder indicated that the original legislation was probably written as it was because the writers of the legislation were concerned for the welfare of children caught moving from one state to another. He inquired if the legislature should penalize a child whose parents have chosen to send them to a private school. **Chairman Goedde** stated that it may be better for the children, but why create a bifurcated system based on families that can or cannot pay.

Senator Winder indicated lowering the age in which students are enrolled in kindergarten statewide may be one way to address this issue, but at this point the state doesn't have the means to do so. **Chairman Goedde** indicated this code was written for the benefit of children who have moved from out of state; there are some people in border cities that have taken advantage of the legislation, and maybe that is where the change is made. **Senator Schroeder** inquired if this is going to result in the state telling people how to educate their children, and requested that **Ms. Terry** address the discussion as a parent who would be affected.

Ms. Terry stated this is an opportunity issue. She and her husband have chosen to put their child in a preschool, noting that most preschools offer some kind of financial aid. She indicated there is another child in the same situation as her daughter whose single mother is receiving financial aid so she can support her child in preschool.

She indicated she strongly agrees with the legislation where the children are required to take an entrance exam, and if a child is capable and a parent is willing, they should be allowed to pursue such a route.

Senator Kelly indicated the age limit for entering either kindergarten or first grade is arbitrary, and the idea of using an assessment test seems a more appropriate way to determine school readiness. She also indicated the availability of financial aid makes it difficult to determine fairness.

Senator Schroeder noted that there are some students who are in middle school or high school who are moving ahead of their peers because they are naturally gifted; however there are also some who are moving ahead of their peers because their parents have taken the time to prepare them, and he inquired why these students should be penalized for something their parents have done.

Senator Sagness stated that for better or for worse there is a financial disparity which allows some students more of an educational opportunity than others. However, this does not diminish the inequity that occurs in allowing a student moving from out-of-state when compared to a student who was raised in the system.

Hearing no further discussion, **Chairman Goedde** indicated there was a motion before the committee. **Senator Schroeder** requested a roll call vote.

Vice Chairman Mortimer - Nay
Senator Schroeder - Aye
Senator Andreason - Absent
Senator Fulcher - Nay
Senator Pearce - Nay
Senator Winder - Nay
Senator Sagness - Aye
Senator Kelly - Aye
Chairman Goedde - Nay

The motion failed.

PRESENTATION: **Chairman Goedde** welcomed **Richard Holman, Dr. Marilyn Davis, Todd Schwarz, Todd Haynes and Gary Seifert** to present on preparing Idaho students for careers in wind and other energies.

Mr. Holman, Manager of Energy Workforce Initiatives at the Idaho National Laboratory's (INL)Center for Advanced Energy Studies, indicated the debate over renewable energy, specifically wind, has become more vocal. There are many challenges facing the U.S. Energy sector today, including the rising demand for well-educated and skilled workers, an insufficient supply of qualified workers, and insufficient worker education and training leading to an energy career. He indicated the projected revenue for alternate energy projects is estimated at more than $225 billion by 2016, and the programs represented by the individuals before the committee would ensure Idaho receives a portion of that money.

Todd Haynes, with Boise State University, addressed the initiative by President Kustra of BSU to transform the university into a Metropolitan Research University of Distinction. He stated that while there are many well-known research opportunities for graduate students, one of the key

undergraduate opportunities is the Wind for Schools program. Boise State is a Wind Application Center charged with implementing the Wind for Schools Program, which was piloted at Skyline High in Idaho Falls by the INL. It has placed grid-tied wind turbines in K-12 schools in Idaho, introducing these K-12 students to wind energy while creating a hands-on learning and teaching environment for undergraduate engineering students.

Todd Schwarz, with the College of Southern Idaho, explained to the committee that CSI is getting it's Wind Technology program up and running. It was approved in August of 2008, and classes are projected to begin Fall 2009. CSI has modeled its program after other educational entities, including Boise State University, Idaho State University, Laramie County Community College and Columbia Gorge Community College.

Dr. Marilyn Davis, with Idaho State University's Energy Systems Technology and Education Center (ESTEC), indicated the center was established in January 2007 as a response to industry identified needs for trained technicians in the energy sector. It was funded by a $2 million grant from the U.S. Department of Labor and a $600,000 grant from the National Science Foundation, the latter of which was required to be used to develop a curriculum to be used and distributed (for free) nation-wide. ESTEC has partnered with many businesses in the energy industry, as well as social services, government, and educational entities, to create the best program possible. The U.S. Department of Labor indicated it is in the top 5% of grants managed, and ESTEC is currently expanding in both curricula and concept.

Gary Seifert indicated it is not just state or federal agencies who are trying to develop this infrastructure to Idaho; developers are as well. There are upwards of 2000 megawatts of wind energy being generated in Idaho. However, one of the issues being run into is a lack of local employees. People may be willing to relocate to rural Idaho for a job, but generally that is a temporary relocation which businesses recognize. Developing educational programs within the state would be much more cost-effective as it would attract local students. **Mr. Seifert** is also the program manager for the Wind Power of America program in Idaho. He indicated the wind for schools program has encouraged students who may not have otherwise gone on to college to pursue careers in wind energy. Idaho has the ability to generate as much as five times the amount of energy it uses in the summer, which could become a very valuable commodity for the State.

Responding to questioning by **Senator Schroeder, Mr. Seifert** indicated the reason the Bonneville Power is in trouble is that it does not have the large capacity lines required; the second reason is that it does not have any new gas plants going in to offset a lack of wind energy. He noted that in energy production, wind and gas energy generation are not mutually exclusive; wind instead works to offset the amount of gas required to generate energy.

Senator Sagness inquired if women are finding the jobs being established attractive. **Mr. Seifert** stated gender is not as much of an

issue as whether a person can stand the rigors of working 250 feet in the air. Many women are coming into this particular job market, and where they may not be working on the lines directly they are still working alongside men building generators or yaw motors. He indicated almost 30% of the people at the national conference were women, versus the first year, where the number of women at the conference could be counted on one hand. The projects coming on line in the next two years will be generating between 150 and 200 jobs.

With no further questions for the panel, **Chairman Goedde** adjourned the meeting at 5:00 P.M.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	April 9, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Pearce, Fulcher, Winder, and Kelly
MEMBERS ABSENT/ EXCUSED:	Senators Andreason and Sagness
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 3:00 P.M. He requested the Secretary take a silent roll, and welcomed **Mark Cotner**, Executive Director if the Canyon-Owyhee School Service Agency (COSSA), to the committee to present **H 269**.

H 269: **Mr. Cotner** indicated COSSA is the oldest public school consortium in the United States, encompassing Homedale, Parma, Notus, Marsing and Wilder. This consortium provides all the professional-technical and special education services for these five districts, as well as an alternative high school. The consortium saves the districts in excess of $2 million annually in special education services alone.

Currently, subsection 1 allows the formation of a consortium; subsection 2 allows the districts to run a levy of one-tenth of 1% (.01%) to support the consortium, which each involved district has passed every ten years; and subsection 3 allows districts to pass an additional .1% levy for the cost and maintenance of a joint facility. **Mr. Cotner** also stated that in subsection 1, one of the involved districts is responsible for receiving and distributing funds from the State Department of Education to the consortium upon its establishment; for the COSSA consortium it is the Homedale School District. This has led to dual sets of accounting books, and combined with the portion the Homedale School District gets for being this middle-man, it costs the consortium upwards of $20,000 annually. The first change in this legislation would seek to remove to allow the money to flow directly to the consortium rather than through the Homedale School District.

Chairman Goedde inquired why this legislation only addresses the issue in the arena of alternative schools, rather than the other services provided. **Mr. Cotner** stated research indicated this is the only potential funding stream to be affected, as these are the only students who

"belong" to the consortium. Special education and professional-technical students attend at least part of the day in their own district, thereby still being considered students of their home districts.

In response to questioning by **Senator Kelly**, **Mr. Cotner** indicated there are other consortiums in the state, but most of them only take advantage of subsection 1, allowing the establishment of consortiums. However, COSSA is the only consortium that has taken advantage of the levy capabilities. He noted that there has been an estimated $5 million saved statewide on special education.

MOTION: **Senator Schroeder** moved to send **H 269** to the floor with a do pass recommendation. **Senator Kelly** seconded the motion.

Senator Pearce inquired why this legislation was coming so late in the session, to which **Mr. Cotner** replied that it was in part because of the second change in the legislation. Under current law, school districts may not transfer property to a consortium, as was discovered approximately three weeks ago when the consortium began making headway on the acquisition of property for a construction of a new building. In response to further questioning by **Senator Pearce, Mr. Cotner** indicated consortiums lessen the burden on districts, and contrary to some belief, the alternative high school is very structured and students thrive in this environment, which local industry recognizes.

The motion passed by voice vote.

MOTION: **Senator Fulcher** moved to approve the minutes from March 2, 2009. The motion was seconded by **Vice Chairman Mortimer**. It passed by voice vote.

PRESENTATION: **Chairman Goedde** welcomed **Jay Larsen**, president of the Idaho Technology Council, to speak to the committee.

Mr. Larsen stated that the goal of the Idaho Technology Council is to help make Idaho a technology hub. Currently it ranks 26th out of 50 in the nation for technology innovation, and it is not gaining in rank. Utah, however, ranks 12th, but through programs and innovational projects Idaho appears to be gaining in rank. **Mr. Larsen** stated that in order for Idaho to achieve such gain in rank, it needs to encourage growth in technology education. The Idaho Technology Council is a 501(c)(6), and as such all its support comes from private industry which is recognizing the need for such a program. Much of this technology innovation would come in the form of agriculture and natural-resource based industry, which is where Idaho thrives.

With no further business, **Chairman Goedde** adjourned the meeting at 3:30 P.M.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	April 15, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Mortimer, Senators Schroeder, Andreason, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	
GUESTS:	*The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.*

MINUTES: **Chairman Goedde** called the meeting to order at 9:00 A.M. He requested the secretary take a silent roll, and welcomed **Representative Bob Nonini** to the committee to present **HCR 30.**

HCR 30: **Representative Nonini** indicated this resolution was to recognize North Idaho College in its 75th year of operation.

MOTION: **Senator Schroeder** moved to send **HCR 30** to the floor with a do pass recommendation. The motion was seconded by **Vice Chairman Mortimer**. The motion carried by a voice vote.

H 303: **Chairman Goedde** welcomed **Jason Hancock,** with the State Department of Education, to the committee to present **H 303.** The State of Idaho has a "use it or lose it" provision regarding teacher salaries. There are three different staffing areas funded under the formula: administrative staff, non-certificated (or classified) staff, and instructional staff. The administrative component used to have a use-it or lose-it clause under which they operated which was removed during a previous legislative session, and non-certificated staff have never operated under a use-it or lose-it clause. In the area of instructional staff there is a use-it or lose-it clause, which requires districts to hire at 100% of funding. If they hire at less than 100%, funding for that district is reduced by that amount.

The original legislation has the use-it or lose-it language for instructional staff; **H 303** makes provisions for districts to utilize up to 5% of the monies dedicated to funding positions for providing virtual education, and allows 2.63% of personnel costs to be funded federally for a two year period, with no affect on the number of positions being funded.

Under the original legislation, schools employing instructors virtually could not pay for the costs of that out of money dedicated to teacher salaries, even if they were instructing in the place of an in-classroom teacher. The

first portion of the change to this legislation would seek to alter that.

According to the American Recovery and Reinvestment Act (ARRA) of 2009, states can shift up to 50% of IDEA funds to non-IDEA. The latter portion of the change would allow districts to maintain funding for 100% of their employees while deferring 2.63% of the costs to federal funds. The 2.63% is the amount of base salary reduction which JFAC has authorized, and the two year period is what the period of time for which the ARRA is authorized for that amount of time.

The second section of **H 303** allows for virtual schools to count and report the Average Daily Attendance (ADA) of students enrolled in the program according to Idaho Code 33-5208(8)(b), as currently there is no method for counting ADA in virtual schools.

Chairman Goedde welcomed **Superintendent Tom Luna** to the committee. **Superintendent Luna** indicated he is in strong support of the legislation, as it is an absolutely essential tool for granting school districts the flexibility needed to deal with the current budget problems. He indicated there has been some discussion about attaching an amendment so provisions can be made to provide additional flexibility for the maintenance match. Though he is supportive of more flexibility regarding maintenance match, he is concerned about attaching an amendment that would likely result in the bill being killed in the House.

Vice Chairman Mortimer indicated that it appears to him that the same amount of coursework still has to be provided whether virtually or not. **Superintendent Luna** affirmed this.

Senator Sagness inquired about the tradeoff between the use-it or lose-it clause and potential maintenance match. **Superintendent Luna** stated that not all districts will be able to take advantage of the match, whereas all districts can utilize the use-it or lose-it clause. **Chairman Goedde** noted that a stand-alone maintenance bill would probably not make it through the House. **Superintendent Luna** indicated that the discussions he has had have indicated there may be support for such a piece of legislation.

Senator Sagness inquired why no sunset clause was placed on the virtual piece of the legislation, asking if there was no nexus between the two pieces of the legislation. **Superintendent Luna** indicated this statement regarding a nexus was correct. **Senator Sagness** followed by asking if anyone had considered the possibility that in-class teachers may be released in favor of virtual classes. **Superintendent Luna** stated this is something which rural schools have been requesting for some time, as it is difficult to attract teachers to these districts. He also stated no one would argue the end result of the legislation is to replace teachers with virtual education, and even in the classes that are being instructed virtually, there is someone physically monitoring the classroom at all times.

Senator Kelly indicated the need for subsection (g) is apparent; however, she inquired why the discussion about virtual schools was brought

forward this late in the session. **Superintendent Luna** stated this was not a new discussion; section two of the legislation had been brought forward earlier in the session, but when the changes to section one were proposed, thereby opening that section of code to changes, it made more sense to try to make all the changes at once. **Senator Kelly** stated for the record that she was not part of that conversation, nor did she feel it was an appropriate issue to be addressing at this time.

Superintendent Luna stated at the request of **Senator Schroeder** that it was his belief that virtual schools are currently paid for through discretionary funds. He also indicated that the profit-loss side of virtual education pertaining to whether a district can make extra money by gaming the system had not been looked at, but he did not believe there were any corners being cut. **Superintendent Luna** also clarified for **Senator Schroeder** that under this legislation, districts can essentially take 5% of the instructional funding and apply it towards virtual schools, while still being funded for the full 100%. **Senator Schroeder** inquired if this would allow district to remove 5% of the teachers and apply that funding towards virtual education. **Superintendent Luna** stated that his understanding was doing so would depend on the agreements negotiated between teachers and districts. What he would tell the committee is that there are some districts that qualify for 100 teachers but only have the ability to find and hire 97. They are thus losing the funding for those extra teachers, while simultaneously having to pick up the cost on their own through discretionary funds.

Chairman Goedde requested information as to how the Idaho Digital Learning Academy (IDLA) fits into this legislation. **Mr. Hancock** stated the IDLA is a state-wide virtual educational system to the extent that the school districts have costs relative to bringing those services in. **Dr. Donna Hutchison,** Director of the IDLA, indicated there is a cost of $50/student/class, but that there are waivers for at-risk students. Additionally, fees are not charged for students who are taking AP or dual-enrollment classes.

Senator Schroeder stated it appears a school district can get a course for $50 and have it count towards ADA, thus encouraging districts to use IDLA courses rather than hire more teachers because they are making money off of them.

Senator Sagness inquired who pays for the Idaho Education Network (IEN). **Superintendent Luna** stated the vast majority of the funding comes from e-rate money, which are federal funds dedicated to assisting schools and libraries in obtaining internet and telecommunication access. According to the funding formula, if the State puts in $3 million it will be matched by federal e-rate funds one-to-one, thereby generating a combined total of $6 million.

Senator Sagness asked if educational entities such as K-12 would pay an access fee on the IEN. **Superintendent Luna** stated that K-12, Apangaea, and the like are at-home remedial programs delivered via the internet. The IEN is a secured intranet system connecting schools. If school districts choose to use these programs, that is there prerogative,

but the systems will still be delivered via the internet.

Senator Sagness followed by asking if this would be putting the IDLA in direct competition with private sectors. **Superintendent Luna** indicated the IDLA is primarily focused on class offerings, and the IEN would actually serve to assist the IDLA rather than create competition. **Dr. Hutchison** stated it is too soon to determine if this will be the case, but regardless, the IDLA needs to continue to serve the needs of students and stakeholders.

Senator Schroeder inquired if the ARRA money could still be used for other purposes if the proposed legislation did not pass. **Mr. Hancock** stated the federal funds would still be able to be used for whatever purpose the grant determines them for, but they would not be able to shift to pick up the 2.63% in instructional personnel costs. In response to questioning by **Senator Kelly**, **Mr. Hancock** stated there was a lack of intent language in this legislation because JFAC had not included it in the budget bill, and doing so would require the bill to be amended.

Because of time constraints, **Chairman Goedde** indicated the committee would be hearing testimony from individuals, and invited **Gary Larsen**, superintendent of the Nampa School District, to the committee.

Mr. Larsen stated that as the largest employer in Canyon County, the Nampa School District is in support of this legislation, as it would provide them the ability to move and utilize resources in the most practical way for their district. As current legislation stands the SDE is removing state money as it backfills budgets with federal money, leaving the school district budgets depleted. The proposed legislation would allow the flexibility to maintain staff and manage class sizes.

Having no questions from the committee for **Mr. Larsen**, **Chairman Goedde** welcomed **Misty Koepren**, president of the Nampa Education Association, to the committee. **Ms. Koepren** indicated that the Nampa Education Association was aware of her presence, and she was in favor of the bill. **Senator Sagness** inquired of **Ms. Koepren** and **Mr. Larsen** whether the virtual piece would affect the Nampa School District one way or another. **Mr. Larsen** stated that although it is a good idea, the district was not prepared to address the issue, and as it stands the virtual section did not affect their support either for or against the legislation.

Chairman Goedde welcomed **Bert Marley**, representing the Idaho Education Association (IEA), to the committee. **Mr. Marley** indicated the IEA is opposed to the legislation for many reasons, the lateness in the session, and its appearance through ways and means being just a few. The IEA feels that anything concerning the use-it or lose-it clause will affect teacher pay, and though it could support the subsection regarding the 2.63%, it is still limited-use.

Chairman Goedde inquired if the IEA would be comfortable with the attachment of a sunset clause; **Mr. Marley** stated yes.

Senator Schroeder commented that at some point in time the notion of

rewarding schools for cost plus administration of the virtual programs should be considered.

Hearing no further questions, and having no one else who wished to testify, **Chairman Goedde** indicated a motion was in order.

MOTION: **Senator Schroeder** moved to hold **H 303** in committee. It was seconded by **Senator Andreason**.

SUBSTITUTE MOTION: **Senator Peace** made a substitute motion to send the bill to the floor with a do pass recommendation. The motion was seconded by **Senator Fulcher**

AMENDED SUBSTITUTE MOTION: **Chairman Goedde** passed the gavel to **Vice Chairman Mortimer** and made an amended substitute motion to send **H 303** to the 14th Order. The motion was seconded by **Senator Sagness**. **Chairman Goedde** explained that there are some things which need to be addressed. He indicated he understands there is the potential that problems will arise in the House if an amendment regarding a maintenance match, but that this type of language would grant school districts flexibility. He also stated he would like to see the attachment of a sunset clause, which would apply to the maintenance match as well. There is certainly the possibility that something else will be tacked on to the bill if it goes to the 14th Order, but that is a chance that may have to be taken to get these issues addressed.

Senator Winder expressed concern that from his perspective, there are some benefits to amending the legislation, however he would wonder if these issues can be addressed in the amending order. **Senator Pearce** stated he feels **H 303** is a good bill and should be left to stand alone. Sending it to the amending order would create too much of an omnibus bill, which may well kill the bill. **Senator Kelly** reiterated her previous statement that she feels the portion of the legislation addressing virtual funding is inappropriate, stating there are effectively two bills encompassed in **H 303.**

Senator Pearce stated it was his understanding that dual-credit programs were supported by the education committee, and though he understands the issues the committee members have, he also feels they are playing politics rather than looking out for the good of the students. **Chairman Goedde** stated that the legislature is at the point in the session where leadership is struggling. There is a perception the House is being directed by the Senate and vice-versa. The motion to hold may be under the threat that the house will kill the bill if amended and sent back to them, and they may well do that; however, if this is the case, the House will be responsible for the death of a fairly well-supported piece of legislation—the use-it or lose-it clause—not the Senate.

Senator Schroeder noted for the committee that his motion to hold was not made under the perception that the House would kill it if it were amended, but because he feels the bill contains two different issues, and subsection (f) is unnecessary. As such his motion to hold was made in an attempt to kill the bill.

Vice Chairman Mortimer - Nay

Senator Schroeder – Aye
Senator Andreason – Aye
Senator Fulcher – Nay
Senator Pearce – Nay
Senator Winder – Nay
Senator Sagness – Aye
Senator Kelly – Aye
Chairman Goedde – Aye

The motion passed 5-4. It will be carried by **Chairman Goedde**.

MOTION: **Senator Sagness** moved to approve the minutes from March 19, 2009. The motion was seconded by **Vice Chairman Mortimer.** It carried by a voice vote.

MOTION: **Senator Kelly** moved to approve the minutes from April 1, 2009, April 7, 2009 and April 9, 2009. The motion was seconded by **Vice Chairman Mortimer**. It carried by a voice vote.

With no further business of the committee, **Chairman Goedde** indicated that as this was the last scheduled meeting of the Senate Education Committee for this session, he would like to thank **Natalie Tippets**, page for the latter half of the session, for her hard work.

With that, **Chairman Goedde** adjourned the meeting at 10:15 A.M.

Senator John Goedde	Sara Pealy
Chairman	Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE: May 4, 2009

TIME: 3:00 p.m.

PLACE: Room 204

MEMBERS PRESENT: Chairman Goedde, Senator Welker (Mortimer) Senators Schroeder, Andreason, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly

MEMBERS ABSENT/ EXCUSED:

MINUTES: **Chairman Goedde** called the meeting to order at 1:05 P.M., and welcomed **Senator Welker** in the place of **Vice Chairman Mortimer**. He indicated the committee would be discussing **H 373**.

H 373: **Chairman Goedde** welcomed **Jason Hancock** with the State Department of Education to the committee to present **H 373. Mr. Hancock** indicated the primary issue he would be addressing would be the local maintenance match relief component of the bill as it applies to school districts. The other two issues in the bill had been before the committee in the form of previous legislation. He pointed the committee toward the handout he had provided for the committee (Attachment 1) and proceeded to walk the members through it. School districts are required to allocate 2% of building values for maintenance as a result of **H 743**. If the districts do not use the 2%, it carries forward and is maintained in a separate fund. The 2% requirement consists of a state and local component.

Column (A) lists 2008-2009 building square footage as occupied by students. Column (B) lists the replacement value of those buildings at $81.45/sq foot. (C) is the lottery payment as received in 2009. (D) is the Bond Levy Equalization Support Program value index for the state. (E) is the state match on (D), where the higher the value index is, the lower the State match. (F) is the replacement value of the buildings, (B)x(E). (G) is additional state funds distributed relation to columns (F) and (C). For FY 2010, columns C and G will basically be zero. There is no lottery money and there is no additional state match money. Those funds have instead been diverted to discretionary funds in an effort to fill the hole created by budget cuts.

Senator Kelly inquired how the state could do this and still be in compliance with the Supreme Court ruling, to which **Mr. Hancock** explained that the system up to this point was deemed unconstitutional. Addressing this was left up to the legislature, and what has happened is the statutory structure adopted will come back after FY 2010.

(H) is the estimated replacement value of the buildings, (B) x 2%.Section 6 of the legislation takes column (I) and deducts any Plant Facility Levies. Plant Facility Levies are not dollars that can be used for discretionary purposes, so, for many districts, a Plant Facility Levy is how they have been meeting the local maintenance match requirement. Districts with large Plant Facility Levies do not receive any relief through maintenance match.

Once the Plant Facility Levy is deducted from column (I) the district is left with column (K), which is remaining dollars that have to come up with by districts on their own. Section 6 also says that from money needed to address safety and code violations must be subtracted from (K) before any relief is granted. Of the remaining funds, not more than 50% can be used for discretionary, one-time personnel costs.

Senator Sagness inquired if this language was present in the proposed amendment for **H 303**, which **Chairman Goedde** confirmed was the case.

Senator Schroeder asked if section 6 is currently in code. **Mr. Hancock** stated section 6 is not codified language, but is rather a session law. It is good for one year, and if the legislature sees fit to continue with that language, it would have to vote on that in the future.

Senator Kelly inquired why this intent language, which is often seen in JFAC bills, was not put in the appropriate public school budget bill. **Chairman Goedde** stated he has been trying to keep policy language out of appropriation bills as it is something he feels germane committees should be dealing with. **Senator Kelly** followed by inquiring how the 50% pulled from column (K) to be distributed as discretionary personnel funds was established. **Chairman Goedde** indicated administrators have made clear their feelings that they have on-going obligations which this money would cover, and that they would have to keep back 50% of their maintenance funds to cover those functions.

Senator Schroeder asked **Mr. Hancock** how the three apparently stand-alone issues addressed in this legislation were tied together, which **Mr. Hancock** responded they are all public school finance issues.

Mr. Hancock followed the questions by stating the local maintenance match portion was the same as **H 303** as amended in the senate, as is the use-it or lose-it save for one difference: the **H 303** amendment has a two year sunset. Additionally, **H 303** does not include any early retirement language, whereas H 373 will phase it out.

Senator Winder noted that this legislation appears to be a “cherry-picking” of issues from **H 256** and **H 262**.

Senator Fulcher requested **Mr. Hancock** address the differences in fiscal impact between **H 303** and **H 373**. **Mr. Hancock** stated the only difference between the two to state funds would be the estimated $2

million that would be saved with the elimination of the early retirement program.

Senator Sagness inquired if the State Department of Education is in support of **H 373** versus **H 262** versus **H 303**. **Mr. Hancock** stated there are different components of each bill that are supported. **Senator Sagness** then indicated he would be making a motion, but first requested a moment to explain what was driving his motion. He stated it was his feeling that **H 262** had been through the mill in the Senate, resulting in amendments that had been concurred to in the House. He then indicated he felt it deplorable the sponsor of the bill would bring it forward considering the current financial situation, especially considering an amended version of **H 303** contained all the components of this bill.

MOTION: Having said this, **Senator Sagness** moved to hold **H 373** in committee. The motion was seconded by **Senator Schroeder.**

Senator Andreason indicated he agreed with the motion, and noted that he was not convinced that eliminating the early retirement program would save the state the proposed $2 million in FY 2010 and $4 million in FY 2011. When the program was established it was estimated that it would save between $8 million and $10 million annually.

Senator Kelly also indicated her agreement with the motion, stating she was frustrated with the duplicitous nature of the legislative process as of late. She cited this legislation as an example of such, as two major components of the legislation had already been proposed and discussed, and a third was in an amendment waiting to go back to the House.

Senator Pearce inquired what would be done about the use-it or lose-it clause if this bill did not pass, as his district was in need of such legislation, asking what **Chairman Goedde** thought the House might do with the amended version of **H 303. Chairman Goedde** indicated that sending **H 303** with amendments back to the House would make it their issue, and stated he would hope they realize the gravity of the situation.

Hearing no further questions or comments, **Chairman Goedde** indicated a motion was on the table. The motion to hold **H 373** passed with a voice vote.

Chairman Goedde adjourned the meeting at 1:45 P.M.

Senator John Goedde Chairman	Sara Pealy Secretary

MINUTES

SENATE EDUCATION COMMITTEE

DATE:	May 7, 2009
TIME:	3:00 p.m.
PLACE:	Room 204
MEMBERS PRESENT:	Chairman Goedde, Vice Chairman Welker (Mortimer), Senators Schroeder, Andreason, Pearce, Fulcher, Winder, Sagness (Malepeai), and Kelly
MEMBERS ABSENT/ EXCUSED:	
MINUTES:	**Chairman Goedde** called the meeting to order at 4:40 P.M. and requested the secretary take a silent roll. He welcomed **Martin Peterson** with the University of Idaho to present **H 211**.
H 211:	**Mr. Peterson** indicated **H 211** was created to correct an oversight in **H 401** which was passed in the 2008 Legislative Session. **H 401** standardized residency requirements, but there is a flaw in it that was not discovered until after most students had registered for college. In **H 401** it is stated that if a student leaves the State of Idaho for more than 30 months the student is no longer considered an Idaho resident for tuition purposes. **H 211** would allow an exemption to this for students who leave the State for post-secondary education.
MOTION:	**Senator Schroeder** moved to send **H 211** to the floor with a do pass recommendation. **Senator Andreason** seconded the motion. It passed by a voice vote. **Senator Schroeder** will carry the bill on the floor.
H 374:	**Chairman Goedde** welcomed **Representative Nonini** to the committee to present **H 374. Representative Nonini** noted that there would be a correction to the SOP, so it would read "the purpose of this legislation is to remove the sunset clause on HB 303 related to virtual classes in traditional brick and mortar settings as amended in the Senate." **Chairman Goedde** indicated he concurred with this correction. **Representative Nonini** indicated **H 374** would remove the sunset clause in **H 303** for virtual schools, as he, **Chairman Goedde** and **Superintendent Luna** had received verbal confirmation that the Northwest Regional Educational Laboratory (NWREL) would move forward with a study of virtual public charter schools. There has also been push-back from educators regarding the amendment, as they do not feel that two years is adequate time to implement the program and then evaluate whether it is working in their district. Responding to questioning

by **Senator Sagness**, **Representative Nonini** indicated the state would not be paying for the study done by NWREL as their studies are done on a first-come, first-serve basis and are funded through federal grants.

Senator Sagness inquired what the urgency is regarding this legislation. He noted there are three elements from earlier bills, of which two have generated a great amount of interest from schools, but had heard of no great pressure on the part of schools regarding virtual education. **Representative Nonini** indicated towards a letter provided from Dr. Charles Shackett with the Bonneville Joint School District No. 93, in which Dr. Shackett indicated the two year sunset was hampering their decision to move forward with implementing the program. **Representative Nonini** also indicated they would like to move forward with this program as it would further allow the classes to be delivered in traditional brick and mortar schools as well as with home schooled children who may not otherwise have the chance to take them.

Senator Sagness asked what this would allow the schools to do, that they would not be able to do otherwise. He noted that he understands the issue of being able to use stimulus funds, but the funds will go away. **Representative Nonini** used the example of the 5% use-it or lose-it as it applies to virtual schools, where schools are allowed to be at as low as 95% teacher capacity while still receiving funding for 100% of teacher capacity. The 5% difference can then be applied to virtual education for courses that may not be otherwise offered in the building.

Senator Sagness inquired that he would like to know where the money would be coming from once the stimulus money runs out. **Representative Nonini** stated that even after the stimulus money runs out the districts will still be funded for teachers accordingly. **Chairman Goedde** noted the legislation does not have to do with stimulus money, but rather has to do with allocation of funds. **Representative Nonini** concurred with this.

Senator Sagness asked if any of the provisions in place for traditional brick and mortar schools were built in to this legislation. **Jason Hancock** with the State Department of Education indicated these were in effect because the schools that would be delivering these classes have standards they have to meet. Therefore in order to deliver these classes the classes have to meet these standards as well.

Senator Schroeder noted that students learn in different ways, and to assume that placing all students in front of computers and they will all learn is incorrect. He feels that what has been presented in front of the committee could too-easily end up as a way for districts to make money while failing to provide an adequate education for students.

Senator Sagness inquired what the requirements will be for home schooled students. He noted that while this is desirable from the standpoint that it requires students to be registered and they will have to come into the building to take the coursework.

In response to questioning by **Senator Kelly**, **Representative Nonini**

explained this legislation would take **H 303** back to its original state with the exception of the second amendment, which would be left in the engrossed copy. **Chairman Goedde** noted that this legislation would remove section four, section five and the last sentence of section six, reverting the language back to what it was prior to the amendment.

Senator Schroder inquired why **H 303** was not just rewritten. **Chairman Goedde** stated that would have been an option, but it would have killed **H 303**.

MOTION: **Senator Sagness** moved to hold **H 374** in committee. **Senator Schroeder** seconded the motion.

SUBSTITUTE MOTION: **Senator Fulcher** offered a substitute motion to send **H 374** to the floor with a do pass recommendation. **Senator Pearce** seconded the motion. **Senator Sagness** indicated he feels virtual education is a good tool to have in the tool box, but to jump into it without having policy safeguards is a concern of his. He reiterated **Senator Schroeder's** comment that the nature of learning and the effectiveness of the delivery method for each student should be thought about before jumping into a program such as this, noting that it could be done as a pilot to ensure that it is properly implemented.
Senator Schroeder reiterated the feelings of **Senator Sagness,** noting that part of the education process for students is interacting with their peers and teachers. He also stated he would hope the education of students does not result in them ending up in front of computers.

Hearing no further debate, **Chairman Goedde** indicated a roll-call vote was in order:

Chairman Goedde - Aye
Vice Chairman Welker - Aye
Senator Schroeder – Nay
Senator Andreason – Aye
Senator Fulcher - Aye
Senator Pearce - Aye
Senator Winder - Aye
Senator Sagness - Nay
Senator Kelly – Nay

The motion to send **H 374** to the floor with a do pass recommendation passed. It will be carried on the floor by **Senator Goedde.**
Having no further business of the committee, **Chairman Goedde** adjourned the meeting at 5:30 P.M.

Senator John Goedde Chairman	Sara Pealy Secretary