

MINUTES
HOUSE EDUCATION COMMITTEE

- DATE:** Wednesday, February 01, 2012
- TIME:** 9:00 A.M.
- PLACE:** Room EW41
- MEMBERS:** Chairman Nonini, Vice Chairman Shirley, Representative(s) Trail, Block, Nielsen, Chadderdon, Shepherd, Wills, Marriott, Thayn, Hartgen, Bateman, Boyle, DeMordaunt, Nessel, Pence, Chew, Cronin
- ABSENT/
EXCUSED:** Representatives Trail and Nielsen
- GUESTS:** Mary Sheridan, Department of Health and Welfare, Office of Rural Health; Tracie Bent, Marily Whitney, Jessica Piper and Mike Rush, State Board of Education (SBE); Harold Ott, Phil Homer and Rob Winslow, Idaho Association of School Administrators (IASA); John Eikum, Idaho Rural Schools; Steve Millard, Idaho Hospital Association; Bert Marley, Idaho Education Association (IEA)
- MOTION:** **Chairman Nonini** called the meeting to order at 9:00 a.m.
- Rep. Thayn** made a motion to approve the minutes of January 31, 2012. **Motion carried by voice vote.**
- Mike Rush**, State Board of Education (SBE), gave a presentation to the committee. He stated that the SBE has been involved in educational reformation for the last fifteen or twenty years. Changes have focused on increasing students' performance. Improving college completion rates is important to Idaho. A new program called Complete College Idaho (CCI) is a plan for growing talent to fuel innovation and economic growth in Idaho. Currently Idaho ranks 23rd in high school completion, and 10th in postsecondary completion. Forty-one percent (41%) of American adults aged 25 to 34 years have a college degree. Currently the United States has the highest college dropout rate, worldwide. If our citizens continue at the current dropout rate, only twenty-nine percent (29%) of adults aged 25 to 34 years will have a college degree by the year 2025.
- The SBE has set a goal that sixty percent (60%) of Idaho adults will have a college degree or certificate by the year 2020. The CCI plan is in place to assist Idahoans in completing their postsecondary education. The plan will better prepare high school students, offer better access to resources, and continue to strengthen dual credit and professional-technical program offerings. It will also create common core standards, improve remediation, and increase annual reporting for high schools. The CCI plan seeks to demystify college through systematic advertising, a web portal, and articulation and transfer policies. Other facets of the program include reducing time to completion, reintegrating adults into college programs, and strengthening community college options.
- In response to questions, **Dr. Rush** stated that doubling output will not mean doubling costs, but it will require increased organization. Some costs will increase, however, the economic benefit to having a trained workforce is important. Many strategies involved in the CCI plan will contribute to improving higher education as a whole. The sixty percent (60%) goal will be measured using a census style system. A report from the Office of Performance Evaluations stated that school counselors play an important role in assisting high school students transition into college. The SBE conducted a study two years ago that examined available jobs in Idaho and the education of Idaho citizens. North Carolina, Kentucky, Massachusetts, and Utah have successfully developed workforces that have attracted businesses to bring economic benefits to their states.

Responding to additional questions, **Dr. Rush** said that students need to be successful at every level, from elementary school forward. The SBE begins to measure student progress during the elementary years. What happens in elementary school does impact whether college is completed. The advantage of having a single governing body (the SBE) oversee education from elementary through college, rather than having a separate board to set college policies, is that the entire education experience is interconnected, and a single governing body is able to make changes where they are needed across the board.

H 393: **Tracie Bent**, State Board of Education (SBE), presented **H 393**. This bill would move the administration of the Rural Physician Incentive Fund and the appointment of the oversight committee to the Department of Health and Welfare.

Mary Sheridan, Department of Health and Welfare, Office of Rural Health, stated that one of her responsibilities is data collection to determine healthcare shortage areas in Idaho. Her office also helps recruit physicians to underserved areas of Idaho. She would like to see three seats added to the board that would oversee the Rural Physician Incentive Fund, and would like to see loan repayments be provided after a term of service, and be paid directly to physicians rather than to lending institutions.

Steve Millard, Idaho Hospital Association, stated that he is in full support of the proposed changes.

In response to questions, **Ms. Bent** stated that physicians' contracts are renewed annually. If a physician does not fulfill his or her contract, payment will not be made. There are currently five physicians participating in the program.

MOTION: **Rep. Block** made a motion to send **H 393** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Block** will sponsor the bill on the floor.

H 383: **Tracie Bent**, State Board of Education (SBE), presented **H 383**. This would provide that up to \$50,000 in annual Opportunity Scholarship Fund earnings may be used for costs related to administration of the program. Current law limits administrative funds to 5% of earnings, not to exceed \$75,000. Investment earnings on the fund have been consistent with national economic conditions for the past several years such that 5% does not generate enough funds to administer the program. There would be no impact to the State General Fund. **H 383** would reduce the potential impact to the Opportunity Scholarship Fund by \$25,000. The current balance of the Opportunity Scholarship Fund is approximately \$19.7 million.

In response to questions, **Ms. Bent** explained that to properly manage the program would cost an estimated \$27,700 for one half-time employee, plus \$8,840, which represents 10% (.10 FTE) of the program manager's position, to supervise the half-time person, \$2,500 for ongoing database management, and \$2,500 for ongoing marketing expenses including flyers for schools and travel to schools, for a total of \$41,540 each year. Currently there is a half-time person working on the Opportunity Scholarship Fund as well as other items. This change would not create a new position, but would allow for better management of personnel. As applications into the scholarship program grow, there would be room for that growth. No new awards were given in 2011 because earnings were very low. Renewals were awarded. It is estimated that by March, \$503,154 in scholarship dollars will have been awarded for 2012.

Responding to additional questions, **Ms. Bent** stated that any money spent on administering the program comes out of scholarship money, however, if the program cannot be properly managed, scholarships will not be awarded because not all applications can be processed, and student progress and outcomes cannot be properly tracked. She said that if the program can be correctly managed, more students will benefit. Administration costs have only come from earnings, but scholarship monies have recently cut into the corpus of the fund. The State Treasurer handles the fund.

ORIGINAL MOTION:

Rep. Hartgen made a motion to **hold H 383** in committee.

Tracie Bent responded to further questions. She stated that currently there is not enough money being earned by the fund to properly manage the fund.

Representative Nasset spoke to the motion to hold **H 383**. He stated that the amount being requested to manage this fund is reasonable, however, he understands the concerns related to taking money from the corpus of the fund to cover those administrative costs.

SUBSTITUTE MOTION:

Rep. Cronin made a motion to send **H 383** to the floor with a **DO PASS** recommendation.

Rep. Cronin spoke to his motion, stating that many students depend on this scholarship money, and properly managing it is crucial.

Mike Rush, State Board of Education (SBE), stated that when this scholarship fund was enacted, \$75,000 of State General Fund dollars came with it to cover administrative costs. The original plan was to add \$20 million per year for five years, to bring the fund up to \$100 million, which would earn enough to continue covering administrative expenses. Due to economic conditions, the scholarship program has not been able to be funded as planned. Dr. Rush stated that he has been borrowing money from other areas in order to keep this program going. He explained that he is not able to keep the program operating without staff to manage it.

In response to questions, **Dr. Rush** stated that he might be able to transfer management of the fund to an endowment board to potentially raise more money, however, he does need the requested funds in order to continue managing the scholarship fund as it currently exists.

Rep. Thayn supports the substitute motion to send **H 383** to the floor with a do pass recommendation.

Rep. Hartgen stated that the real issue is the rate of return on the scholarship fund, and the bill should be held. He suggested that the SBE come back with a new bill to transfer management of the scholarship fund to an endowment board.

In response to a question, **Mike Rush** said that he is not sure the SBE could come back with a new bill related to transfer of the fund's management this year, but if it was necessary, he would try.

VOTE ON SUBSTITUTE MOTION:

Chairman Nonini called for a vote on the substitute motion to send **H 383** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Reps. Hartgen** and **Marriott** requested to be recorded as voting **NAY**. **Rep. Cronin** will sponsor the bill on the floor.

H 385:

Tracie Bent, State Board of Education (SBE), presented **H 385**. This clarifies that only liquor funds are deposited to the State Junior College Account, and that these funds are to be distributed by the Liquor Division directly to the community colleges on a quarterly basis.

In response to questions, **Ms. Bent** stated that all involved parties are agreeable to the quarterly distribution format.

MOTION: **Rep. Pence** made a motion to send **H 385** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Pence** will sponsor the bill on the floor.

H 386: **Tracie Bent**, State Board of Education (SBE), presented **H 386**. This relates to scholarship programs for family members of public safety officers and members of the armed forces who have died in the line of duty, been rendered totally and permanently disabled, or become prisoners of war.

In response to questions, **Ms. Bent** stated that applicants must come with a determination of disability when they apply. The scholarship provides full tuition, averaging approximately \$15,000 per year, per student, for four years.

MOTION: **Rep. Marriott** made a motion to send **H 386** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Marriott** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 10:43 a.m.

Representative Nonini
Chair

Mary Tipps
Secretary