

MINUTES
HOUSE EDUCATION COMMITTEE

DATE: Wednesday, February 22, 2012

TIME: 8:30 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:** Representative Chadderdon

GUESTS: The sign-in sheet will be retained with the minutes in the committee secretary's office until the end of the 2012 session. Following the end of the 2012 session, the sign-in sheet will be filed with the minutes in the Legislative Services Library.

Chairman Nonini called the meeting to order at 8:35 a.m.

MOTION: **Rep. Thayn** made a motion to approve the minutes of February 21, 2012. **Motion carried by voice vote.**

RS 21350: **Chairman Nonini** presented **RS 21350**. The purpose of this concurrent resolution is to support the insurance industry, creating a private, non-governmental health insurance exchange. He stated that this would be part of the solution to the rising cost of healthcare.

MOTION: **Rep. Shepherd** made a motion to introduce **RS 21350**. **Motion carried by voice vote.**

In response to questions, **Chairman Nonini** stated that he has not discussed **RS 21350** with the insurance industry, however, if it is introduced, discussions will take place. He believes this is more market-based and consumer driven and would assist in lowering healthcare costs. Taxes and fees to insurance companies and users have risen.

Responding to additional questions, **Chairman Nonini** said that his understanding is that there is a \$20 million grant that needs legislative spending authority to create an exchange. He met with other representatives and with **Senator Goedde** to discuss this issue. He is aware of possible legislation that would assess fees to carriers and contract with doctors. He does not believe that this will help the current rising healthcare costs. He stated that insurance companies are sitting on healthy reserves and could put together their own exchange. He referenced the website Travelocity, which allows citizens to shop for airline tickets, hotel rooms, and other travel related items through an exchange. He believes that the healthcare industry could create an exchange that would offer similar benefits. The concurrent resolution would have no fiscal impact to the State of Idaho.

Chairman Nonini responded to additional questions. He said that the words "as part of the solution" refer to allowing state employees to purchase high deductible plans and put money into Health Savings Accounts (HSAs), higher contributions into HSAs and Medical Savings Accounts, legislation introduced in House Health and Welfare that is more market-based, and the Any Willing Provider legislation that has been introduced. Quality medical procedures at lower costs are also part of the solution. He has concerns about a government-controlled exchange.

Rep. Cronin stated that no one has articulated what the barriers have been to implementing a private exchange in the past.

In response to a question, **Rep. Bateman** stated that Anthony Kennedy, Associate Justice of the United States Supreme Court, ruled in cases that might have had political overtones, and is a 10th Amendment expert. He stated that requiring someone to purchase insurance is a laborious stretching of the Interstate Commerce Clause.

Rep. Shirley called for the question.

Representative Nessel invoked Rule 38 stating a possible conflict of interest as he sits on the Board of Directors of a health insurance company. He will be voting on **RS 21350**.

**ROLL CALL
VOTE ON
MOTION:**

Chairman Nonini called for a vote on the motion to introduce **RS 21350**. A roll call vote was requested. **Motion carried by a vote of 13 AYE, 3 NAY, 2 absent/excused. Voting in favor of the motion: Reps. Shirley, Trail, Block, Nielsen, Shepherd, Marriott, Thayn, Hartgen, Bateman, Boyle, DeMordaunt, Nessel and Chairman Nonini. Voting in opposition to the motion: Reps. Pence, Chew and Cronin. Reps. Chadderdon and Wills were absent/excused.**

H 481:

Rep. Bayer presented **H 481**, which eliminates the growth cap of six (6) new public charter schools per year, and the cap of one (1) new charter school per year, per district. This committee and the full House passed this legislation last year, but time ran out before the legislation could be passed by the Senate. He stated that this cap is obsolete and limits Idaho's competitiveness for Federal grant applications. He discussed the timeline of changes to charter school legislation. The existence of the cap limits opportunity to bring more non-state money into the Idaho. Historically, states with charter school growth caps have been deemed unfriendly to charter schools. Charter schools do not have the ability to pass emergency levies in times of financial challenges, and do not have the other avenues for funding that are available to traditional public schools.

Diane Demarest, Idaho Charter School Network (ICSN), spoke **in support of H 481**. She stated that the existing cap is in conflict with the Governor's and Superintendent's positions on school choice. It also limits philanthropic opportunities and ranks Idaho at #32 out of 42 across the nation when Idaho is examined by funders. This ranking causes Idaho to be viewed as being unfriendly to charter schools by potential grantors. Caps are said to seriously detract from the market attractiveness of Idaho. She stated that the Walton Family Foundation has said that the growth cap precludes Idaho from serious consideration in their granting process.

Tamara Baysinger, Public Charter School Commission (PCSC), stated that the PCSC strongly **supports H 481**. She said that removing the cap would not result in an explosive growth rate of charter schools in Idaho. The intensive petitioning process takes approximately eighteen (18) months to gain approval, and approximately twenty-nine (29) months to open a school. There are processes in place to mitigate financial concerns of districts.

Luci Willits, State Department of Education (SDE), stated that in 2004 when the Legislature overhauled the charter school law, it was considered very progressive. In the last five years there has been a renaissance in education, and this law is no longer seen as innovative or progressive. Because of this problem, Idaho was denied a grant renewal. This grant was a significant benefit for getting charter schools off the ground. During a three year period, Idaho received \$10 million from the Federal Government. This is no longer available. Removing the growth cap will assist Idaho's charter schools to receive necessary funding.

MOTION:

Rep Nielsen made a motion to send **H 481** to the floor with a **DO PASS** recommendation.

Penni Cyr, Idaho Education Association (IEA), spoke **in opposition to H 481**. She stated that the IEA supports charter schools, however, with scarce resources, the IEA does not want to see any additional resources diverted away from traditional schools. She stated that the charter schools do not share best practices with traditional schools.

In response to questions, **Ms. Cyr** stated that the IEA has invited charter schools to participate in conferences and other modes of shared learning.

David Meyer, Montecello Montessori Public Charter School, stated that his school has a Board liaison who shares information and best practices between his school and District 93, the local school district. His school is not authorized by the district, it is authorized by the Federal Charter School Commission. His school has suffered the loss of a grant due to Idaho's poor rating that is related to the growth cap.

Karen Echeverria, Idaho School Boards Association (ISBA), spoke in opposition to **H 481**. She said that the ISBA believes it is time for all stakeholders to discuss what works and what does not, and to craft legislation that will align Idaho's charter school laws with those of other states. Opening more than one charter school district per year could have a negative impact on those districts.

In response to questions, **Ms. Echeverria** stated that districts receive a certain amount of money per student, per year, and that the amount is higher in larger school districts. When students leave a traditional school to enter a charter school, the overall amount the district receives would drop because the student population has decreased. The revocation process for charters is time consuming and difficult. The ISBA supports charter schools. It is difficult to deny a charter school application as long as the charter school contains all of the elements that are necessary. She believes that all major stakeholders were made aware of this potential legislation very early in the 2012 legislative session. School districts can deny charter applications, which results in court appeals and finally a decision by the State Board of Education. A petition can also be referred to the Public Charter School Commission (PCSC) indicating why the district believes a charter school should not be authorized. Financial concerns can be stated during that process. She said that she is unable to speak to denials of private grants due to the growth cap.

Rob Winslow, Idaho Association of School Administrators (IASA), said that the IASA is concerned about removing the cap that limits growth to one charter school per district, per year. He stated that lifting the cap could put a school district at financial risk if more than one charter opened in the same year.

In response to a question, **Mr. Winslow** said that he, **Jason Hancock**, and **Rep. Shirley** are currently working on legislation that would protect school district funding.

Tamara Baysinger, Public Charter School Commission, responded to a question. She stated that if a public charter school fails, the local school district needs to accommodate those former charter school students who live within the district. The revocation process is long, and generally if a school was to close, it would close at the end of a school year, allowing time for the local district to prepare for new students.

Briana LeClaire, Idaho Freedom Foundation, spoke **in support of H 481**. She said that removing the cap increases freedom for Idaho's families and children.

Victoria Logering, a charter school parent of a nine-year-old autistic student, spoke **in support of H 481**. With the assistance of the Boise School District and a special team that works with autistic students, she placed her daughter in a public school environment. By the third grade, open enrollment policies changed and the curriculum and social expectations became more difficult. She stated that her daughter is better served in a charter school, where there are smaller class sizes and more opportunities for her development. She said that it takes "dumb luck" to enroll a child in a charter school because of the waiting lists and long lotteries. She believes that the Boise School District in particular is hampered by the growth cap.

Leslie Mauldin, Coalition of Idaho Charter School Families (CICSF), stated that her organization **supports** the expansion of public choice. She said that the accountability and process of opening a charter school is long. It can take more than two years to get approval to open a new school. There are annual accountability reviews. She stated that, by nature, opportunities to open new charter schools are very limited. She discussed her experience in the charter schools. She waited four years for her child to gain acceptance into Liberty Charter School through the lottery process. She stated that charter schools work for Idaho's families and that **H 481** would update Idaho's position on charter schools. Idaho opens 3.2 charter schools per year, on average. She said that Nampa has more public charter schools than any other part of Idaho, and that Nampa's traditional public schools are thriving alongside those charters.

In response to questions, **Ms. Mauldin** stated that hybrid schools provide a combination of teacher contact and online learning. Charter schools pay more out and take in less than traditional public schools. Charter schools have shown that more can be done with less.

Rep. Bayer stated that this measure is supported by the Charter School Commission and the State Board of Education. He stated that he believes in a balance that involves local control. He said he is open to further reform, but this is an opportunity to help charter schools this year.

Rep. Bateman said he is excited by things being done by the charter schools and stands in support of charter schools. He agrees with removing the general cap, but is not inclined to remove the cap of one new charter school, per district, per year.

Rep. Bayer responded to questions. He stated that removing the cap would increase opportunities for philanthropic grants, and that the cap is, for all intents and purposes, artificial. The stigma that comes with the cap is not helpful to Idaho. Last year one of his school districts turned down a bond request. He would like them to have the same opportunity to make decisions for charter growth. Solid education is necessary to raise responsible taxpaying Idaho adults that alleviate problems in areas such as Health and Welfare and corrections.

Luci Willits, State Department of Education, responded to a question. She stated that most charter schools are bipartisan in their priorities, with stable funding streams and support from the Federal Government.

Rep. Bayer responded to additional questions. He said that allowing one new charter per district, per year is a significant cap and would continue to hinder funding to Idaho's existing charter schools.

Rep. DeMordaunt said that Idaho charter school parents and students are being negatively impacted today. There is an approximate twenty-nine (29) month process involved in opening a new school. He stated that providing choices to Idaho's parents so that they can best leverage resources to educate their children is important.

Rep. Thayn invoked Rule 38 stating a possible conflict of interest as he is Chairman of the Board of a charter school. He will vote on **H 481**.

Tamara Baysinger, Public Charter School Commission, responded to a question. Every Idaho charter school is available to any Idaho student, however, geographic preference is given to local students in the lottery system.

Rep. Nielsen spoke to his motion to send **H 481** to the floor with a **DO PASS** recommendation. He said that if more than one charter school opens inside a particular school district, certain costs would be passed on to parents.

Rep. Cronin stated that he supports charter schools and believes that they do important work. He said he is concerned about quality and is not sure there is a need to have more charter schools. He does not support the motion.

Rep. Chew stated that charter schools bring important benefits. She said she would like charter schools to continue to thrive, but also wants to ensure there is no harm brought to students in Idaho's traditional public schools.

SUBSTITUTE MOTION:

Rep. Chew made a substitute motion to send **H 481** to General Orders, striking the section that removes the growth cap of one new charter school per year, per district.

Rep. Thayn spoke in opposition to the substitute motion.

Rep. Bateman called for the question.

ROLL CALL VOTE ON SUBSTITUTE MOTION:

Chairman Nonini called for a vote on the substitute motion to send **H 481** to General Orders for amendments, striking the section that removes the growth cap of one new charter school per year, per district. A roll call vote was requested.

Motion failed by a vote of 4 AYE, 13 NAY, 1 absent/excused. Voting in favor of the motion: Reps. Trail, Pence, Chew and Cronin. Voting in opposition to the motion: Reps. Shirley, Block, Nielsen, Shepherd, Wills, Marriott, Thayn, Hartgen, Bateman, Boyle, DeMordaunt, Nettet and Chairman Nonini. Rep. Chadderdon was absent/excused.

VOTE ON ORIGINAL MOTION:

Chairman Nonini called for a vote on the motion to send **H 481** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Reps. Pence, Chew, Bateman, Trail and Cronin** requested to be recorded as voting **NAY**. **Chairman Nonini** will sponsor the bill on the floor.

Chairman Nonini announced that due to time constraints, **H 533** and the presentation from the Idaho Charter School Network would be rescheduled to a later date.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 10:30 a.m.

Representative Nonini
Chair

Mary Tipps
Secretary