

MINUTES
SENATE EDUCATION COMMITTEE

DATE: Monday, March 05, 2012

TIME: 3:00 PM

PLACE: Room WW55

MEMBERS PRESENT: Chairman Goedde, Vice Chairman Mortimer, Senators Andreason, Pearce, Fulcher, Winder, Toryanski, Malepeai and LeFavour

**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 order at 3:06 PM.

H 481: **Chairman Goedde** welcomed **Representative Nonini** to the committee to present **H 481**. He explained the purpose of **H 481** which is the attempt to remove growth cap of six new public charter schools per year and to remove the cap of one new public charter school per district per year. There is no anticipated impact to the general fund. The indication of the removal of the cap will not result in an increased rate of growth in the number of charter schools. This piece of legislation is supported by the State Board of Education, Public Charter Schools Commission, and the Department of Education. He said the two biggest concerns they have heard regarding this legislation is that students leaving traditional schools to attend charter schools and traditional schools having a lack of funding due to a decline in enrollment. **Representative Nonini** yielded to the co-sponsor **Representative Bayer**.

Representative Bayer said **H 481** is the attempt to address the caps on charter schools statewide and per district. What was learned is that caps are irrelevant and obsolete. They act as a barrier to access additional non-state financial resources. These include but are not limited to national private foundations, nonprofit entities, and also limits Idaho's competitiveness for Federal Grant funding. **Representative Bayer** relayed to the committee the history of Public Charter School caps. The work and restructuring that occurred will make growth self-limiting. If the cap is lifted, Idaho will see similar growth trends as it did during the past years. As the current law is, funders consider Idaho to be an unfriendly state. Idaho ranking in charter schools has dropped because of the cap. Many states have dropped their caps to become more competitive for President Obama's "Race To The Top" for education funds. More of 90 percent of Idaho's charter school budget is in state apportionment. They are required to work with amount to meet all the other needs that schools encounter as they try to sustain the schools. Whereas, 67 percent of public schools budget is from state apportionment. By removing the caps the legislature will provide the opportunity for Idaho Charter Schools to be more competitive for financial assistance from other sources. **Representative Bayer** yielded his time to **Diane Demarest**, Executive Director of the Idaho Charter Schools Network.

PRESENTATION: **Ms. Demarest** testified that her organization is in favor of the bill. She named the significant reasons why the cap bill should be passed. Supporting documents related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see Attachment #1).

PRESENTATION: Tamara Baysinger, Director of the Public Charter School Commission, said the commission that authorizes charter school is in favor of the bill. She testifies as to why the bill will not be detrimental to districts or the charter schools movement. Supporting documents related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see Attachment #2).

PRESENTATION: Michele Clement-Taylor, School Choice Coordinator of the Department of Education. The area she spoke to is the impact the cap has had on Federal Charter School start-up. The current cap on Charter Schools has made the state of Idaho to be regarded as one of the most unfriendly states towards Charter School development. Federal Grant criteria are not favorable to states with caps coupled with the large waiting lists for schools, thereby Idaho rarely wins these grants.

QUESTIONS: Senator Winder said in the testimony he heard the impact that having a cap on schools presents the inability for grant awards from private nonprofit foundation. Can they supply any written statement to that claim? **Ms. Demarest** said she has quotes from conversations, but not directly. If you were to go to the websites and look at who wins the grants, the states those are from do not have caps. **Senator Winder** asked if there is time that she could communicate with any of the foundations to verify her claims? **Ms. Demarest** said yes she has email contact with them and would be glad to get that clarified.

Senator Andreason asked **Ms. Demarest** what portion of the public schools should be charter schools. **Ms. Demarest** said that nationally and locally the charter school movement is about 5 percent of the national market share of school students. She said when the waiting lists are smaller that is when the level is correct. **Senator Andreason** asked what number of Charter Schools is Idaho trying to build. **Ms. Demarest** was not sure that there has been any study as to the optimum level. It is really important to the Charter School Network, the Department of Education, and to the State Board of Education, that all schools are high quality schools. The number of Charter Schools is dependant on the market and for those communities where parents feel their child's needs are being meet there won't be very many Charter Schools. **Senator Andreason** said he thought he heard her say the Charter Schools were of higher quality. Why is that? **Ms. Demarest** said her observation is that in schools that are mission driven, there is definite clarity as to the goals of the school and the benchmarks to get there. Those are focused on a great deal.

Senator Toryanski echoes **Senator Winder's** concern. He would like support for the reason the cap is being removed is due to the fact that private money will start to flow to the schools. Please supply to the committee any back up regarding those statements. He asked if the statewide cap is lifted, that could take the number of charters that could be created per year from six to 115 and in a two year period there could be 230 charter schools created in the state. He asked, if she thought just lifting the cap alone would make Idaho friendly enough for the private money? **Ms. Demarest** said in the National Alliance Ranking there is the ability to score up to 12 points. It is very clear how they get to the numbers: Idaho scored three out of the 12. If the cap is removed the score will not go up. No the cap will not matter. With regard to the number of possible charter schools founded, is very unlikely. That explosion of schools simply will not happen due to the oversight from the State Department of Education.

Chairman Goedde asked if the cap was removed where would Idaho rank in friendliness for Charter Schools? **Ms. Demarest** said Idaho would move from 32nd to 28th.

Senator Malepeai said there was a lot of information given here. He asked if the Walton and Gates Foundations will not invest at all in Idaho Charter Schools, because of the cap. **Ms. Demarest** said that is the indication from the Walton Family. She has spoken with the Gates Foundation and they said that Idaho is not on their radar at this time. **Senator Malepeai** said that even if a Charter School is doing a remarkable job, a cap would prevent the nonprofit foundation from investing in the school. **Ms. Demarest** said the cap makes the environment unfavorable and investors are not interested.

Vice Chairman Mortimer asked **Ms. Baysinger** about getting information from the school districts. Do you get any statement from the school districts about their position of new charter schools coming into their districts. **Ms. Baysinger** said yes. Statute requires the DOE send notice to the district that a petitioner is wanting to open a school. Then the petitioner has to send a referral for a hearing. There is quite a process to get done before a Charter School is ever opened.

Senator LeFavour asked what percentage of dollars do Foundations give to Charter Schools. **Ms. Demarest** said she didn't have the data with her. She did know the Walton Foundation gave \$157 million in 2011. They donate to about ten different states. **Senator LeFavour** asked how many other states still have caps and do the foundations give to those states. **Ms. Demarest** said there are five and is uncertain about Foundation gifts in those states. None appear to be on the Walton Foundation gift list.

Chairman Goedde asked **Ms. Demarest** if the Charter School Growth fund is looking at start ups? **Ms. Demarest** replied yes. They are looking to plant high quality schools. Usually, the determinant is the Charter School Management Organization, they review the state's high achieving Charter Schools and use funds to replicate that in a new school. **Chairman Goedde** asked what is a Charter Management Organization. **Ms. Demarest** said it is a nonprofit organization that is tasked with maintaining the feasibility of a particular school. This group trains the principals and teachers and extends to the new school the policies and procedures so they can have all the mechanisms for a strong application. They only support a replicated program rather than a new program.

Senator Fulcher asked what is the demand of Charter Public Schools in Idaho. How many students are in charters and how many are on waiting lists? **Ms. Demarest** said currently there are about 18,000 students enrolled and 7,000-8,000 on the waiting lists. **Ms. Taylor** said that there is actually 16,233 enrolled and about 7,000 on the waiting lists. Most of the waiting lists occur in the metropolitan area schools. Currently, there are seven schools that are on track to open in the near future.

Senator Malepeai asked **Ms. Taylor** how much weight on the overall evaluation does the cap actually have on Federal grant awards. **Ms. Taylor** said in terms of grant with the cap rate has to do with the number of high quality charter schools that open each year. In the "required" category it is worth 20 points out of 100 and in the competitive category it is worth 10 out of 100. Idaho's rate was between 9 and 17 depending on the reviewer. The amount of money the state has been awarded from the Federal grant has been \$2 million over a three year period.

Chairman Goedde said there are many that would like to testify. It will alternate pro/con until he has gone through the list. There are quite a few in favor, so if someone has already stated your opinion, please do not repeat the statement. He called **Robin Nettinga** to the podium.

- TESTIMONY:** **Robin Nettinga**, Executive Director, Idaho Education Association, said they are in opposition to **H 481**. To be clear the IEA supports charter schools and appreciated **Ms. Demarest's** comment, that many parents are not looking for a better school for their parents but they are looking for the right school for their children. The IEA supported and helped to write the original Charter School Legislation. They did so with the understanding that those charters would share their best practices with traditional schools, so they could be replicated. But that has not happened. There are wonderful Charter Schools that are preparing students for the future and we believe that they are using some very creative and innovative approaches to education. The members of IEA first take steps to insure more sharing and learning of our existing charter and traditional schools before more Charter schools are authorized. Finally, every charter school takes resources from neighborhood schools that most of our children attend. With resources so scarce now is not the time to divert more resources away from schools. For these reasons IEA opposes **H 481**. **Chairman Goedde** said the Superintendent has said there may be a need to sit down and review the charter title and take a look at statutes and make some comprehensive changes. Is that something IEA would be willing to participate in? **Ms. Nettinga** replied absolutely.
- TESTIMONY:** **Victoria Loegering**, parent of a Sage International Charter School student, is in favor of **H 481**. They did have a great experience in the public schools. As her daughter got older the public school program didn't work for her. **Ms. Loegering** looked at private charter schools and put her daughter on the waiting list to get enrolled. Because it took awhile for her daughter to get into Sage International, her education floundered. If the cap is removed there would be more options for children like her daughter.
- TESTIMONY:** **Don Keller**, Founder and Administrator of Sage International Charter School, is in favor of **H 481**. By lifting the cap it not only makes winning a large foundation grant possible but also smaller awards. It took four years of strategic planning before having the school available for enrollment. The lottery for the school was done on March 1st and there were over 500 names for 180 positions. The removal of the cap will help to alleviate waiting lists.
- TESTIMONY:** **Renee McKenzie**, a Charter School mom from Nampa, is in favor of **H 481**. This family put their kindergartner on the waiting list for a school in Nampa and he was not called until he was in eighth grade. In the meantime he was enrolled in a charter school in Caldwell. She believes a choice in education creates excellence in education.
- TESTIMONY:** **Leslie Maudlin**, President of the Coalition of Idaho Charter School Families, and a parent at Liberty Charter School in Nampa. She is in favor of **H 481**.
- TESTIMONY:** **Briana LeClarie**, Idaho Freedom Foundation, believes people are the happiest when they are free. They should be free to choose the school their children attend and she is in favor of **H 481**.
- TESTIMONY:** **Superintendent Luna**, State Department of Education, is in favor of the bill. There has been good testimony. This bill is for existing as well as new charter schools. Keeping the cap in place has made it difficult for existing charter schools to access federal funds, donations, and investments from nonprofit organizations. He is often asked by others around the country as to how Idaho can be leading the nation in education reform and still be one of just a handful of states that still has a cap on providing parents more choice in education. Removing the cap does not give public charter schools an advantage over traditional public schools. Removing this cap does not guarantee that charter schools will receive funding, but it is 100 percent certain that they will not be funded if the caps remain. He thinks that it is important to remember the revenue sources for public charter schools versus traditional public

schools. Traditional schools have access to local funds that charter schools do not. In every public charter school there are no local property taxes going to schools.

Please consider that scenario because it is a demonstration as to how fiscally responsible the charter schools have to operate. Because of this cap, charter schools have lost about \$250,000 a year because of the lost federal grant. At the time he took office there were 23 charter schools with 7,000 students on waiting lists. Today there are 42 charter schools and 7,000-8,000 on waiting lists. So the answer to when will there be enough charter schools is when the demand is met. The number six was not a magic number, it was decided arbitrarily because there would be unmanaged growth. The concern by removing the cap has never happened: there have never been more than six charters schools opened in a year and never more than one in a district have been petitioned in a year. This is philosophical approach to education no other choices of education alternatives have a cap. Many choices of schooling are going to be needed in order to provide individualized education. One size fits all does not work. In Idaho, students should not have to win a lottery to be able to attend the school that is best for them. He concluded by asking the committee vote yes on **H 481**.

QUESTIONS:

Senator Toryanski asked **Superintendent Luna** if it is true when a student leaves a traditional school to go to a charter school, the traditional school is ahead money wise. **Superintendent Luna** said that it is true. The local property tax money and some federal money stays with the school, whereas, some federal dollars will follow the student. Thereby, the per student spending is higher in the traditional schools when students leave to go to charter schools.

Senator Malepeai asked **Superintendent Luna** if he was suggesting that every public school was a public charter school. **Superintendent Luna** stated that is not what he supports. He gave an example of the tax burden of public charter schools versus traditional public schools. There should be many choices for students and a public charter school should be one of those choices.

Chairman Goedde asked if he was correct in questioning that the committee discuss doing something in the interim while looking into the whole public charter school statute. **Superintendent Luna** replied yes. There has been some meetings with stakeholders to begin the discussion about what the next charter school would look like. Some have been addressed in this bill. But it is time to review the law.

Senator Andreason asked **Superintendent Luna** if it is his opinion that a charter school is a better school to send your child to? **Superintendent Luna** replied this question can be applied to his children. He and his wife raised six children and all of them graduated from high school. Each child received the schooling that was best for them; some went to traditional schools, some charter schools, and one at a virtual school. Each child got the education in a place where they were best served. **Senator Andreason** asked generally speaking is a charter school better. **Superintendent Luna** replied no. **Senator Andreason** asked the reason as to why there are such large numbers of students on the waiting lists. **Superintendent Luna** replied, he didn't know and that each parent has a different reason as to why they put their child on the waiting list.

Senator LeFavour said if five percent of the students of the state are in charter schools, how many dollars go to the charter schools. **Superintendent Luna** replied there is not a separate funding stream for charter schools. The per pupil amount they receive from the state is close to the average per pupil across the state. **Jason Hancock**, Department of Education, followed up by adding that there is about \$65-70 million that goes to charter school and it is funded through the same formula. **Senator LeFavour** stated that the amount of money given to states from large foundations is not much. That will not allow for a lot of growth. **Superintendent Luna** replied the \$65-70 million that was given to you is still money the state has, it just goes to charter schools rather than traditional schools. There has been a great loss of Federal grant money that goes to charters and the little amount that could come from foundations would make a difference is start up costs and capital expenditures of charter schools. Idaho needs an environment where nonprofit grants can be awarded.

MOTION: **Senator Winder** moved, seconded by **Senator Fulcher** to send **H 481** to the floor with a do pass recommendation.

SUBSTITUTE MOTION: A substitute motion was made by **Senator Toryanski** , seconded by **Senator Malepeai**, that **H 481** be held in committee, subject to the call of the chair, subject to the receiving of additional information.

DISCUSSION: **Senator Toryanski** said that he is persuaded in supporting this bill because of all the children that are on the waiting list to attend the charter schools. He is encouraged that the districts have the first opportunity to weigh in on whether or not a charter school should be created. He is also encouraged by the long lead time that it takes to open a charter school. However, this bill hinges on the prospect of lifting the cap will give the state the opportunity to gain private funds. Before he could support this bill, he would like to see citation to a law, rule, policy, or position to corroborate the testimony the committee has heard today. He has confidence in the testimony, but before he supports this bill he would like to see something tangible that would indicate that more private dollars would be flowing to the state of Idaho.

DISCUSSION: **Senator Winder** said that **Senator Toryanski** gives good advise, however, the committee has been looking at this issue for several years. He believes there has been ample testimony to verify that lifting the cap may or may not help in getting extra funding. He sees this bill more as a way to show the committees' support for parent choice in their students' education. He believes the state's pilot schools; they are the ones developing the new challenges for today's students. He is sorry the IEA does not feel there has been that cooperation and that is something the committee should look to establish that communication. With that he will not be supporting the substitute motion.

DISCUSSION: **Senator Andreason** said this may be a good idea, but he doesn't believe the committee is ready for it. It is not the right time to do that and he will vote aye to the substitute motion and nay to the original motion.

DISCUSSION: **Senator Malepeai** said he would like to keep this bill in committee. His lack of support is in no way hostile to choices of parents. His concern is when he looks at educating the youth he is looking at educating every single one of the students in Idaho. It is not that the cap is not supporting schools, he is concerned about funding that continues to move in the direction of charter schools. The responsibility is to educate every single child in Idaho and the job is to maintain that commission. With that said, he is voting aye to the substitute motion.

VOTE: **Senator LeFavour** requested a roll call vote. The ayes were four (Malepeai, LeFavour, Andreason and Toryanski), nays five (Pearce, Goedde, Mortimer, Fulcher and Winder), the substitute motion failed.

MOTION: **Chairman Goedde** presented the original motion for debate.

DEBATE: **Senator LeFavour** said as a member of JFAC, she sees the state being so far from giving the schools the resources they need to get by. There are discretionary funds that need to purchase so much. What worried her about charter schools is that for every one that is established those funds are taken away from traditional schools. In time there may be a better way to fund schools, but for right now, this isn't the direction the state should go.

Chairman Goedde commented to **Ms. Demarest** that they have conversed about getting something in writing from funders and so far he has not seen that. He hoped that she recognized the importance of that documentation. Please have that before this bill goes to the floor, if this motion passes.

VOTE: Having no more debate **Chairman Goedde** asked the secretary to take a roll call vote. The ayes were five (Pearce, Goedde, Mortimer, Fulcher and Winder) and the nays were four (Malepeai, LeFavour, Andreason and Toryanski). The motion passes by roll call vote. **Senator Winder** will carry the bill on the floor.

Representative Nonini thanked the committee for their time and **Chairman Goedde** acknowledged that and then reordered the agenda to have P-16 present next.

PRESENTATION: **Derrick O'Neal**, Executive Director of the United Way of Treasure Valley, took the podium. He thanked the committee for their time to show the committee the collaborative work of two entities. He explained P-16 and how it came to fruition. He showed the statistics of the drop out/completion rate as well as the higher education ratio of students in Caldwell. This numbers were of grave concern. The program began this year and the goal is in the years to follow it will have a wider reach.

David Duro, Chief Operating Officer of the Canyon County YMCA, then took the podium to present the work of P-16. This program is trying to redefine the start and finish line for education in the Caldwell School District. His presentation came from the Power Point presentation. Supporting documents related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see Attachment #1).

Tricia Stone, Principal of Lincoln Elementary School, spoke to the good work and collaboration of P-16 in her school. She highly recommends it to other schools.

Elaine Carpenter, a Caldwell business owner and a board member of the Whittenberger Foundation, stated that this is a vital program between business and community entities. Government cannot solve all the problems in communities. There needs to be collaboration and P-16 is a good example.

Jim Everett, Chief Executive Officer of the YMCA of Idaho, encouraged the committee to watch this program. They have a shared philosophy that kids are not dispensable. Programs need adults to promote kids to their highest abilities and P-16 is working towards that goal. He spoke about the great partnerships the YMCA has with local businesses, parents, and schools. Please if you have the chance come see the work we are doing to get kids educated.

Senator Fulcher asked how the YMCA staffs a project of this magnitude. **Mr. Everett** said the staff in Caldwell does a great job of finding, interviewing and training the staff. The staff members are in the school and they are another resource for the students and help teachers as the need arises.

Chairman Goedde thanked the committee and **Ms. Hoover** to get this scheduled.

H 556 **Representative Chew** presented **H 556** to the committee. This adds a new section to the Idaho code. Section 67-5333a allows educational agencies to take up to 90 days sick leave for community college employees to go to work for them. Currently this is in code and this provision would provide a critical tool to the state education agencies maintaining talent for key positions. The second section 67-5533b fixes the unintended consequence from sick leave of Boise State Sellman College of Technology employees that worked at the College of Western Idaho. The legislation limited the ability of those employees to transfer their sick leave. She introduced **Tracie Bent**, State Board of Education.

Tracie Bent commented there were some questions that arose in the House as to whether or not it affects PERSI.

TESTIMONY: **Luci Willits** of the Department of Education, said that she has an employee that lost 100 hours of sick leave when she came to work for them from the College of Western Idaho. This bill would really help her and others in the same predicament.

MOTION: **Senator LeFavour** moved, seconded by **Senator Andreason**, to send **H 556** to the floor with a do pass recommendation. The motion carried by **voice vote**. **Senator LeFavour** will carry the bill on the floor.

SCR 124: **Chairman Goedde** turned the gavel over to **Vice Chairman Mortimer** so he could present **SCR 124**. **Chairman Goedde** said this bill before the committee is in recognition of Idaho Digital Learning Academy (IDLA) and its 10th Anniversary. All the facts show the outstanding work of IDLA. He acknowledged **Donna Hutchinson** former director of IDLA, who was in the audience.

MOTION: **Senator Fulcher** moved, seconded by **Senator Pearce**, to send **SCR 124** to the floor with a do pass recommendation. The motion carried by **voice vote**. **Chairman Goedde** will carry the bill on the floor. **Vice Chairman Mortimer** turned the gavel back to **Chairman Goedde**.

MINUTES: **Senator Fulcher** moved, seconded by **Vice Chairman Mortimer**, to approve the minutes for **January 30, 2012**. The motion carried by **voice vote**.

MINUTES: **Senator Winder** moved, seconded by **Senator Fulcher**, to approve the minutes for **January 31, 2012**. The motion carried by **voice vote**.

MINUTES: **Senator Pearce** moved, seconded by **Vice Chairman Mortimer**, to approve the minutes for **February 2, 2012**. The motion carried by **voice vote**.

MINUTES: **Vice Chairman Mortimer** moved, **Senator Fulcher**, seconded by to approve the minutes for **February 7, 2012**. The motion carried by **voice vote**.

MINUTES: **Senator Toryanski** moved, seconded by **Vice Chairman Mortimer**, to approve the minutes for **February 8, 2012**. The motion carried by **voice vote**.

ADJOURN: **Chairman Goedde** adjourned the meeting at 5:20 P.M.

Senator Goedde
Chairman

LeAnn South
Secretary