

Minutes of the Joint Legislative Oversight Committee  
May 4, 2009  
Room 145, Capitol Annex  
Boise, Idaho

Co-chair Representative Cliff Bayer called the meeting to order at 3:38 p.m. Attending the meeting were Senators Jim Hammond, Elliot Werk, and Dick Sagness (substituting for Edgar Malepeai during session), and Representative Shirley Ringo. Also present were Rakesh Mohan, Director, Margaret Campbell, Administrative Coordinator, and other OPE staff.

**MINUTES FROM 4/15/09 MEETING**

**Senator Werk moved to approve the minutes from the April 15, 2009, meeting. Senator Sagness seconded the motion, and the motion unanimously passed by voice vote from the five members present.**

**FURTHER CLARIFICATION AND DIRECTION ON EVALUATION TOPICS**

Co-chair Bayer said the committee was meeting to provide OPE clarity of intent for the evaluation topics selected at the last meeting. Mr. Mohan reviewed the two approved topics: a study on probation and parole was conditional upon information found in a 2008 Department of Correction report and the request to study the funding formula had several options requiring significant support from the Legislature.

*Funding Formula Study*

Mr. Mohan said the funding formula study needed to be split into a multi-phase study over several years. In the first phase, OPE would meet with key stakeholders and legislative leaders, as well as JFAC and JLOC, to identify educational goals. The study would be policy analysis instead of an evaluative review.

Senator Werk asked if the first phase was essentially an interim committee process until next session. Mr. Mohan confirmed that it could be similar to an interim committee process or OPE could create an advisory group. Under either approach, the Legislature and key stakeholders needed to identify Idaho's educational goals as a fundamental step in studying the formula.

Senator Hammond said his intent for the study was to evaluate the current process, examine formulas in other states, and work with germane chairs to develop and fund improvements. Mr. Mohan agreed with that assessment and said OPE could incorporate the Senator's intent after educational goals were established.

Representative Ringo agreed with Senator Hammond's assessment. She indicated that many educators were brought together to develop the formula in 1994; however, the formula does not currently serve rural districts well. Idaho needed a formula that attracted good educators to rural districts.

Mr. Mohan said the first phase of establishing goals could be skipped if JLOC wanted to study teacher salaries, discretionary funding, or special education—components of funding that did not require establishing educational goals. The committee could also assign OPE to address Representative Ringo’s concern about rural districts, or it could decide to put the funding formula study on hold.

Senator Hammond said he wanted a study that looked at whether Idaho fairly distributed funds to rural districts. He wanted to know whether Idaho was funding the best way possible.

Mr. Mohan said the last two OPE studies looked at some issues of equity and generally found the funding formula met equity criteria—the formula contained intentional differences to accommodate rural districts. Mr. Mohan said OPE could look at specific issues for a study on rural district funding.

Senator Werk said the Meridian School District faced challenges of rapid growth that the formula did not address. He suggested using the same process used to develop the last formula; however, he said development of the process was not solely the Legislature’s purview.

Representative Bayer explained that the JLOC meeting was being held not because the study assignment was inadequate, but because the study needed specificity to guide the evaluation. Mr. Mohan agreed and said he was a proponent of studying the formula but needed to understand JLOC’s priorities so OPE could appropriately narrow the focus of the study.

*Senator McGee joined the meeting in progress.*

## **2009 REQUESTS FOR EVALUATION**

Senator Werk said he was struck by the pupil transportation discussion in the Legislature. His proposed study would look at best practices and whether the state was providing incentives for effectiveness and efficiencies for the overall system; House Bill 256 did not address incentives, and House Bill 371 appropriated \$20,000 to the Department of Education to look only at the nooks and crannies of district transportation.

Senator Hammond said he would like to consider studying early retirement incentives for teachers—did it save or cost the state money? The Legislature was addressing whether to eliminate the incentive, but if kept, he would like to see some data. Senator Werk said that if incentive remained on the books, OPE would need to work with the Department of Education to develop a method to collect future data. Employee movement within districts made past data difficult to obtain.

Representative Ringo said data would be useful in understanding the issue of teacher retirement options. She said a study on pupil transportation would also be an interesting and timely issue. The funding formula prescribed how the state distributed money to the districts. She said her legislative district was fairly representative of the state. She had a larger school district that tended to have more potential for funding options, and she had very small districts that were losing population and living in fear of major repairs because they did not have enough discretionary money. In addition, very small districts faced challenges of attracting good

educators and having feasible consolidation opportunities. She asked whether the state was distributing resources according to its most acute needs.

Mr. Mohan said issues raised by Representative Ringo could comprise a phase two approach to the funding formula study. The study could address what was equitable and adequate in light of the state's educational goals.

Senator Sagness said he supported a study on the best practices of pupil transportation. To determine whether the funding formula directed the state's funds to its most critical areas, he said goals were needed to define the word "critical." A study on the formula needed to be taken piece by piece before serious policy formulation could occur. The recently released OPE report advocated consolidation of services, yet charter schools' successful platform was the advantage of a small school. Was classroom size an educational goal of the state? Did policy drive budget or did budget drive what was funded? The funding formula was not going to be resolved with one fell swoop.

#### **FURTHER CLARIFICATION AND DIRECTION ON EVALUATION TOPICS (CONT.)**

##### *Probation and Parole Study*

Mr. Mohan said he reviewed the 2008 Department of Correction report.<sup>1</sup> The report did not evaluate probation and parole, nor did it evaluate capacity and operations of Idaho's correctional facilities. Both topics would make good evaluation studies.

**Senator McGee moved to conduct evaluations on both Department of Correction studies, options 1 and 2 as described on the JLOC notebook handout *Further Clarification and Direction of Evaluation Topics for OPE*. Senator Hammond seconded the motion.**

Senator McGee said he made the motion based on committee discussion. He was interested in a study of the funding formula, but breaking it into sections was difficult. He said the correction issues seemed relevant and timely, and the size of the assignments seemed appropriate.

Senator Werk asked if OPE could also address a study on discretionary funding. Mr. Mohan said JLOC could assign priorities. The down side to studying discretionary funding was that data may not be available because districts did not track it. In committee discussion, members decided to wait on a study of discretionary funding.

Senator Hammond said Mr. Mohan was right about identifying educational goals before breaking down the funding formula. A study on the formula was too big to take on at the moment. Senator Sagness agreed.

Senator Werk indicated it was time to gather key stakeholders together to decide education policy. He did not know how JLOC or OPE would fit into galvanizing people together.

---

<sup>1</sup> Carter Goble Lee, *A System Master Plan for the Idaho Department of Corrections*, January 2008.

**The motion to study two Department of Correction issues (1) probation and parole and (2) capacity and operation of facilities unanimously passed by voice vote from the six members present.**

Representative Bayer thanked the committee for its due diligence in defining parameters for the studies. Mr. Mohan thanked the committee and said OPE will contact legislators in developing scopes and hoped to send draft scopes to JLOC within the next two months.

**Should the Legislature continue with the early teacher retirement program, Senator Hammond moved to have OPE examine the program from the perspective of giving JLOC initial recommendations for how to gather data and who would be the proper source for providing information on the effectiveness of the program. Senator McGee seconded the motion.**

Senator Hammond said he wanted to find a simple strategy for determining the cost benefit of the program; this request would provide a starting point. He asked for the information by fall 2009. Mr. Mohan said OPE could provide JLOC the requested background information, and Senator Sagness clarified that the motion was addressing dollars and cents—not other issues.

**The motion to examine the early teacher retirement program unanimously passed by voice vote from the six members present.**

The meeting adjourned at 4:45 p.m.