

Minutes of the Joint Legislative Oversight Committee  
March 18, 2013  
Lincoln Auditorium  
Boise, Idaho

Cochair Senator Dean Mortimer called the meeting to order at 4:10 p.m. Attending the meeting were Senators Cliff Bayer, Elliot Werk, and Les Bock and Representatives Shirley Ringo (cochair), Maxine Bell, Gayle Batt, and Elaine Smith. Also present were Rakesh Mohan, director, Margaret Campbell, administrative coordinator, and other OPE staff. Audience members included the following:

President ProTem Hill and Senators Keough and Heider  
Representatives Moyle, Pence, Hancey, Horman, Mendive, Romrell, King, VanOrden, Ward-Engelking  
Sam Haws, director, Commission on Aging  
Tracie Bent, chief planning board officer, State Board of Education  
Jason Hancock, deputy chief of staff, Department of Education  
Tamara Baysinger, executive director, Public Charter School Commission  
Rita Foltman, Office of the State Controller

**SECOND FOLLOW-UP REPORT RELEASE: *COORDINATION AND DELIVERY OF SENIOR SERVICES IN IDAHO***

**Senator Werk moved to receive the report. Senator Bayer second the motion, and the motion passed unanimously by voice vote.**

Mr. Mohan thanked the commission and the areas on aging (AAAs) for their efforts to implement recommendations. Mr. Bryon Welch, senior performance evaluator, presented the follow-up review. He said OPE had made 11 recommendations to the commission, Idaho's six AAAs, and the Legislature in 2011. These recommendations would more effectively coordinate and manage the delivery of senior services across Idaho. In a 2012 follow-up review, he found that the AAAs had implemented two recommendations, but the commission, which had just undergone significant employee turnover, had only begun to work on the recommendations. Today, however, the commission had implemented all but one recommendation, which was in process.

**Representative Ringo moved to close the report. Senator Werk seconded the motion, and the motion passed unanimously by voice vote.**

**REPORT RELEASE: *POLICY DIFFERENCES BETWEEN CHARTER AND TRADITIONAL SCHOOLS***

**Senator Werk moved to receive the report. Representative Ringo seconded the motion, and the motion passed unanimously by voice vote.**

Mr. Mohan said the committee had asked OPE to evaluate policy differences between charter and traditional schools as differences related to charter school operations. The report contained formal responses from the Governor, the Board of Education, the Department of Education, and

the Public Charter School Commission, which were located at the end of the report. The Department of Education, in its formal response, expressed concerns about OPE's methodology; specifically its use of education stakeholder perspectives. Mr. Mohan said OPE's use of stakeholder perspectives gave necessary context to an evaluation. In addition, involving stakeholders was a key evaluation standard. OPE usually allowed agencies to have the last word on a report. In this particular situation, however, he felt he should respond with an explanation that was located on page 71 of the report. His response to this evaluation was one of only two in the past ten years.

Hannah Crumrine, senior evaluator, and Amy Lorenzo, principle evaluator, presented the findings of the report. They said the charter school law was established in 1998 with legislative intent to identify specific elements that would distinguish a charter school from a traditional school. As public education in Idaho had evolved, they found that the elements once intended to distinguish a charter from a traditional school had become less clear. They discussed two issues for the Legislature to consider as public education in Idaho continued to evolve:

- Consider whether the elements intended to distinguish charter schools from traditional schools were still relevant. If so, consider creating a formalized, statewide mechanism to measure and track the desired outcomes linked to those elements.
- As Idaho continued to make advancements in educational data collection, policymakers may wish to commission a comprehensive comparative study of student performance between charter and traditional schools.

Representative Ringo asked which charter schools did not have enrollment caps. Ms. Crumrine said three virtual schools did not have caps, and several other charter schools let their board determine the cap annually.

Representative Ringo asked whether students receiving special education services were mainstreamed and received extra services or were they so severe that they did not go into the classroom. Ms. Lorenzo said the data collected for special education services did not break down the differences.

Representative Batt asked who had requested that OPE not look at student performance. Ms. Lorenzo said this exclusion was in the study request and in the scope of the study. Representative Batt said the report did not have an appendix of the survey and she would like to see the survey results. Ms. Lorenzo said she could provide Representative Batt the survey in its entirety; the text of the report also contained many tables of survey results.

Senator Werk thanked the office for the report. Referring to poverty rates and ethnic diversity between charter and traditional schools, he asked whether the differences were significant or substantial. Ms. Lorenzo said the information was provided for descriptive purposes only. Senator Werk asked whether the differences for students with limited English proficiency affected student learning or the measurement of performance between charter and traditional schools. In looking at any of the demographics, Ms. Lorenzo said that results would fit well in a study of student performance.

Referring to enrollment caps, Senator Werk asked how the selection process affected any substantial student demographics between charter and traditional schools. Ms. Crumrine said many factors influenced a families' decision to enroll in a charter or traditional school, but the factors were not part of the scope of the study. Senator Werk asked whether the office evaluated the process in state law for advertising and enrolling charter students. Ms. Crumrine said the scope did not include looking at validity or efficiency of that process.

Representative Ringo asked about the cost to the state of charter schools and the opening of more charter schools. She used a charter school with 250 students as an example. If 100 students from a high school of 2,000 moved to this charter school, the 100 students would be funded two more support units because of a change in the divisor. She said it appeared the funding followed the student and then some, which could be significant if the cap were taken off charter schools.

Cochair Mortimer called on Jason Hancock, deputy chief of staff, Department of Education, to address the question. Mr. Hancock said that where a student attends school will drive the level of funding. The state had a divisor-driven funding system calculated by average daily attendance, and those devisors were built around the size of the school that a student attends. From a broad spectrum, charter schools were funded in the top third of schools and districts, as well as in the middle third and bottom third. Charter schools were well scattered throughout the funding spectrum. If a student leaves a large school district that has high divisors, which recognize large economies of scale, and moves to a small charter school, that move will drive more state funding. By the same token, if a student leaves a small school district to attend a larger virtual school, that move will drive less funding.

Representative Ringo asked whether schools in the bottom third were primarily virtual schools. Mr. Hancock said he was unclear where all virtual schools rank, but the largest virtual school, Idaho Virtual Academy, was last or next to last in terms of per-pupil funding.

Representative Bell asked whether the funding divisor system leveled the playing field between a charter school and a district school in terms of buildings. Mr. Hancock said the funding formula was doing a fair job of equitably allocating funds among districts and charter schools. Charter schools struggle because they do not have outside funding sources and must carve resources out of their per-pupil ADA funding from the state, which was perhaps an inequity. Representative Bell confirmed with Mr. Hancock that it was never a consideration, as the charters came online, for the state to address outside funding in any other way than the funding formula.

Senator Mortimer checked with the audience to see if someone from the Governor's office wanted to respond to the report. At that time, the Governor's office did not have a representative present.

Senator Mortimer invited the State Board of Education to respond. Ms. Tracie Bent, chief planning board officer, addressed the committee. She said she did not have much to add to the discussion; OPE had done a good job.

Senator Mortimer asked if the Department of Education wished to address the committee. Mr. Hancock declined.

Senator Mortimer invited the Public Charter School Commission to address the committee. Ms. Tamara Baysinger, executive director, responded. She said she appreciated working with OPE and that most of the commission's response was summed up in its formal response.

Senator Werk said that a study of student performance seemed the best next step but understood that performance data was just being collected and a study would have to wait until next year. Mr. Mohan said this report was a policy study with some policy considerations for the Legislature, the board, the department, and the Governor. A follow-up report would not be needed. He would provide the report to the germane chairs with an offer to present the report to their committees.

**Senator Werk moved to close the report and direct copies of the report to the germane committees and provide a letter offering to present the results of the report to the germane committees. The motion was seconded by Representative Ringo.**

Representative Ringo said OPE had done an excellent report. She said significant legislation was being introduced that will affect charter and traditional schools. In the future, the Legislature will be interested in tracking differences. She said she was very interested in what charter schools cost the state in funding. If funding was evenly distributed across the three categories, that was one thing. But if charter schools were at the higher end of per-pupil funding, the cost to the state could be significant.

Representative Batt said she had some concerns with the study given the tone of Superintendent Luna's formal response, which cited examples of how the department could have provided data about different opportunities. She said she was not convinced the right stakeholders were tapped for the right data.

Senator Werk thanked Ms. Crumrine and Ms. Lorenzo for their hard work. He said that when differences were not being measured, data would be difficult to come by.

**The motion to close the report and direct copies to the germane committee was passed unanimously by voice vote.**

#### **COMMITTEE BUSINESS**

Senator Mortimer said the committee needed to assign release priority for the following new studies:

1. Water Quality Program
2. Reducing Confinement Rates of Juveniles
3. Idaho's Death Penalty System
4. Organizational and Operational Structure of DHW
5. Assessment of a Taxpayer Advocacy Office

Mr. Mohan said the taxpayer request had asked for completion before the start of the session, and the DEQ request had asked for completion by January. Mr. Mohan said he planned to ask for a committee meeting in June to release a 2012 study and some follow-ups. He anticipated being

*Joint Legislative Oversight Committee  
March 18, 2013*

able to meet in October and release a couple of reports at that time. The remaining reports could be completed in January.

Senator Bock said none of the reports seemed to be time sensitive. He said, however, the Legislature could move ahead with legislation in 2014 if the taxpayer study was released before the end of 2013.

Senator Mortimer said the Department of Health and Welfare study may have some urgency. Representative Bell said the department had been working three years to be Medicaid ready. Because of the Affordable Care Act, the Legislature needed to know what position the department was in and what resources it needed before the end of the year.

Senator Mortimer directed OPE to release items 4 and 5 at an October meeting. The balance could be released in January.

**Representative Ringo moved to adjourn. Senator Werk seconded the motion, and the motion passed unanimously by voice vote.**

*The meeting adjourned at 5:20 p.m.*