

LEGISLATIVE COUNCIL INTERIM COMMITTEE
COMMUNITY COLLEGES

College of Southern Idaho - Taylor Building
Twin Falls, Idaho
September 11, 2006

MINUTES

(As approved by the committee)

The meeting was called to order at 9:30 a.m. by **Co-chair Senator John Goedde**. Other members present were: Co-chair Representative Darrell Bolz, Senators, Dean Cameron, John Andreason, Joe Stegner, Bart Davis, Patti Anne Lodge, Brad Little, David Langhorst and Edgar Malepeai and Representatives Julie Ellsworth, Leon Smith, Ann Rydalch, Marge Chadderdon and Donna Boe. Representatives Larry Bradford, Jim Clark and John Rusche were absent and excused. Staff present were Maureen Ingram, Matt Freeman and Jennifer O’Kief.

Others present were Dr. Gerald Beck, President of the College of Southern Idaho (CSI), LeRoy Craig, chairman of the Board of Trustees, Elaine Bryant, Annette Braegger, Debra Wilson, Jenny Emery-Davidson, Gordon Kokx, Nicole Beck, Forrest Beck, Barbara Beck, John Hughes, Claudeen Buettner, Cindy R. Bond, Todd Schwarz, Kathy Stover, Marian Steel, Curtis Eaton, Monty Arrossa, and Scott Scholes, CSI; Daniel G. Chadwick, Executive Director, Idaho Association of Counties (IAC), Kelci Karl-Robinson, Idaho Association of Counties; Fred Tilman, Ada County Commissioner and Chairman of IAC Legislative Committee; Tom Mikesell, Twin Falls County Commissioner; Lance Clow, Mayor of Twin Falls and 1st Vice President, Association of Idaho Cities; Ken Harward, Executive Director, Association of Idaho Cities; Dr. Cliff Green, Executive Director, Idaho School Boards Association; Dr. Wiley Dobbs, Superintendent, and Mary Lu Barry, Director of Curriculum, Twin Falls School District; Ben Allen, Principal, Twin Falls High School; Senator Charles Coiner; Representatives Maxine Bell, Scott Bedke, Sharon Block and Bert Brackett; Kent Just; Ray Stark, Boise Metro Chamber of Commerce; Tony Brand and Mary Shaw, Twin Falls Area Chamber of Commerce; Mike Pohanka, Jerome Chamber of Commerce; Jim Cobble, Jerome School District; Jeff Shinn and Laird Stone, State Board of Education; Dick Ledington, Idaho Division Professional-Technical Education; Dr. Bill Bach, University of Phoenix; Shaunna Bach; Kent Propst, North Idaho College; Ross Borden, Boise State University; Jim Patrick; Alan Egger and Kent Kunz, Idaho State University; Jimmi Sommer, U.S. Senator Mike Crapo; Tom Ryder, J.R. Simplot Company; Lyn Darrington, AMI Semiconductor; David Cooper, Times-News; and Kevin Richert, Idaho Statesman.

Representative Bolz moved to approve the minutes of July 25, 2006, with a grammatical correction noted by **Senator Goedde** on page 17, and with corrections on spellings of names of attendees on page 1 as noted by **Representative Boe**. The motion to approve with noted corrections, was seconded by **Senator Malepeai**. The motion passed unanimously on a voice vote.

Dr. Gerald Beck, President, College of Southern Idaho, said that serving diverse student populations is critical for any community college and that the philosophy behind the College of Southern Idaho (CSI) is that they take any student who comes to CSI from where they are currently, and take them to where they want to be. They offer completion certificates, certificates, associate of science degrees, and

AA degrees, some for terminal, some for transfer. They provide a center for regional economic and cultural events. Last year, over 90,000 people participated in culture and community events held on their campus. CSI collaborates with K-12 in a variety of locations, and partners with ISU, BSU and the U of I as a higher education center. BSU currently has 4 degree programs offered at CSI; U of I offers 6; and ISU offers 14. There are 24 bachelor's degree level programs offered at CSI, the Twin Falls community and surrounding communities through these partnerships with their "sister institutions." They also partner with the community economic development group, SIEDO (Southern Idaho Economic Development Organization).

CSI is about access and affordability, which equals opportunity. Last year, over 1,200 students received diplomas and certificates or degrees. The cost per semester for tuition and fees is \$1,000 per semester or \$2,000 per year, and \$285 for a three-credit course compared to approximately \$600 at their sister institutions. Additionally this past year, the CSI foundation has provided over \$800,000 in scholarships, making this opportunity available for many.

The student headcount continued to climb through the 1998-2002 time frame, and at the same time, the unemployment rate continued to plummet. It appeared that those two factors were not correlated as has been discussed in recent years. It does appear that when they neared the unemployment rate of 2.9%, however, it has caused some of the enrollment count to drop. CSI is up in student headcount this semester, but down in the number of full-time students (FTE) due to the fact that more students are enrolling but taking fewer classes because employers are asking them to work more hours. It appears that when the unemployment rate declines, the student growth rate tends to slow down. They believe that when the unemployment rate begins to drop below the threshold of around 4%, the FTE enrollment drops. The growth in CSI foundation scholarships is correlated with student enrollment growth and has helped ease the burden of increased tuition and fees.

CSI has become more of a statewide institution, with 47.5% of their student population coming from Twin Falls and Jerome, and the remaining from other counties throughout Idaho and from out of state. CSI is the third largest lower division institution in the state with BSU having 28.7% of the students, ISU 20.7% and CSI 18.8%. **Dr. Beck** commented that they believe their success has much to do with the scholarships offered, and with types of programs they offer that meet industry demands.

CSI has been developing professional-technical training programs in many areas of high-demand occupations; this is what community colleges do best, to respond quickly to the needs. Among programs offered in these occupations are programs for medical assistants, social and human service assistants, miscellaneous computer specialists, network systems and data communications analysts, home health aides, medical records technicians, food preparation and serving workers, registered nurses, office clerks, nursing aides and orderlies. In response to regional needs, they have developed new programs; in response to declining demand, they have phased out others. Among programs added are: surgical technology, dental assisting, allied health multi-skilled worker, emergency medical technician, paramedic, horticulture, horse management, education assistant, radiology technician, human services with addiction studies, social work, livestock technician, residential construction, agribusiness, animal science, and special education. These are locally-driven programs.

CSI has served over 1,600 students this past year in the areas of adult basic education and English as a second language. Out of that 1,600 students, fewer than 40% of those students were only a year out

of high school, and 16% were more than a year out of high school. During the 2006 fiscal year, CSI served 2,336 students in these subjects at 22 sites throughout the eight-county service region.

As the FY2006 budget is completing, CSI is 4.7% behind on expenditures from where they were in FY2002 (6.3%) in cost per FTE. They feel this has resulted from good, sound business decisions. They continue to make adjustments in order to deliver services that are high quality and low cost yet cost effective to the people they are serving, and will continue to work on these figures.

Dr. Beck noted that when the state appropriation was received in FY2002, CSI lowered its property tax rate accordingly, and the tax has remained at that rate. Since FY1998, student fees have grown from 14% to 15% to approximately 25% of the total revenue source; at the same time property tax has gone down from 22% to 25% to about 14% to 15% of the total budget of CSI. These two factors have switched positions and across the country students are paying more of the bill than ever before. Of the property tax bills paid in 2005 in Twin Falls County for support of CSI, 85.43% of the 9,797 bills were under \$100. This kind of community support attributes to keeping the tuition and fees at \$1,000 per semester. Regarding property tax funding and the new tax law just enacted, prior to October, 2006, 4.41% of total county property tax in Jerome county was allocated to CSI; after October, 2006, it will be 5.15%. In Twin Falls county, 4.93% of property taxes were allocated to CSI in pre October 2006; after October, 2006, the allocation will be 5.88%.

With regard to student access, in addition to the main campus in Twin Falls, CSI has developed three primary outreach centers, in Burley, Hailey and Gooding, to serve their eight-county region. Approximately two-thirds of each region's residents live within 15 miles of one of the CSI campuses. Overall, of the regional populations aged 16 and older in CSI's eight-county service area, 11% participated in CSI course work during 2005.

CSI has partnered with the local school districts in Cassia and Blaine counties to renovate old high school facilities to serve as local CSI centers. **Dr. Beck** noted that the building at the "Mini-Cassia Center" at the Burley site was sold to CSI for \$1.00. CSI has responsibility for the maintenance and operation of the building and has made a lot of upgrades to the building. CSI continues to have an excellent relationship with the school district. The building in Blaine County is not owned by CSI but is used in conjunction with Head Start, the Rotary Club and will soon partner with ISU in providing services at that site. The Idaho School for the Deaf and Blind in Gooding is their third off-campus center, which is owned by the state.

CSI has developed an extensive regional telecommunication system network. They have built their own towers and own their own radios, which has allowed CSI to put dollars into teaching and not into line charges. This system also allows for two-way interaction between the off-site classroom, which may have only three students and an adjunct faculty member, with the classroom on the CSI campus. This system has been critical to the success of their off-campus centers in not having to cancel classes, and has been instrumental in their growth and serving the more rural areas of the county. Providing an adaptable system is an incentive for the adjunct faculty. There are twenty "points of presence" served by the system in the Magic Valley and one point in the Treasure Valley.

Regarding dual credit and tech prep activity, during the 2005-2006 academic year, CSI offered 317 dual enrollment sections to nearly 2,700 students. These sections are offered at CSI campuses and high

schools throughout the region. CSI continues to consider ways to market the concept of dual credit to parents and high school students about the savings in time and money that can be achieved by participating in dual credit or tech credit programs during a student's junior and senior years of high school.

Dr. Beck stated that through their willingness to develop curriculum, recruit and train students, and their ongoing support of SIEDO, CSI has been very successful in bringing new companies to the Magic Valley starting with Dell Computers. Some recent projects include working with Jayco, Hilex Poly, Mulholland Positioning Systems, WOW Logistics, Coast to Coast Carports, Inc., Kiefer Built, Glanbia, Solo Cup, Dutchmen, Gossner Cheese and Les Schwab. CSI, along with SIEDO, has marketed nationally by advertising southern Idaho as a place for companies to consider locating.

Dr. Beck commented that CSI believes they are partially responsible for bringing the plastics industry to the Magic Valley. Plastics are transported in their raw form by train, which is a cost-effective way because of their location and being within overnight delivery to major metropolitan areas. In partnering with Hilex-Poly Plastics, CSI, through its innovative efforts at research and development of equipment and people, was able to transition the company's original program, which involved people with skills to work with mechanical types of equipment, to a more automated computerized system in order to meet the demand and needs of the company. Because of CSI's success with this venture, the number of jobs grew from 100 to 250 and the company doubled the size of the plant. This type of success is an example of what local control has allowed them to do.

In 2005, CSI contracted with Freightliner and Penske and provided 633 training courses at 171 sites throughout the country, to 5,319 out of state students, none of whom were considered in the CSI headcount. The contract totals are in the neighborhood of about three-quarters of a million dollars and the fund balance is up to \$165,000, which is after putting \$50,000 back into equipment in the diesel program at CSI this past year. This has been a good contract to participate in and provide training throughout the U.S., and has given CSI access to very high quality equipment here on our own campus for our own students.

The campus master plan for CSI has a great deal of property yet to be developed. They have forecasted a development plan for the next ten years. The new building for allied health professionals will be completed in January, 2007. Their current computer system will handle more than 10,000 students; current enrollment is at 7,000. They continue to plan ahead for the next 10,000 students.

Dr. Beck highlighted the telecommunication enrollment. The number of sections has gone up while the number of students per section has gone down, and has allowed for more access at off campus sites. Courses delivered via the internet is where they feel the market is going. The internet courses are amongst the fastest growing of all types of CSI courses. They continue to expand offerings with increasing enrollments.

Regarding the FY2007 General Fund appropriation, **Dr. Beck** provided statistics for both CSI and NIC. The total appropriation for CSI was \$11,594,900; NIC, \$10,506,000. It is important to look at the cost-per-student at each institution when looking at these figures. The major difference in allocation was in the area of Enrollment Workload Adjustment with CSI receiving \$250,400, NIC receiving \$134,200; and in the area of Occupancy Costs, CSI received \$282,800 and NIC with more building occupancy,

received \$379,000. Regarding the community college funding allocation, on the academic side only, over the last ten years, CSI continued to grow a little faster than NIC; CSI had 54.36% of the students, NIC had 45.64%. JFAC requested they make an adjustment in their appropriation funding allocation and with the assistance of the State Board of Education, worked out a system to move toward that 54.45% split, in 1.5% annual limits. Consequently, CSI will end up with 52.5% share of FY2007 total appropriation, 2% lower than where they should be and NIC will end up with 47.5%. This is so the institutions will be held harmless. A copy of **Dr. Beck's** presentation is available in the Legislative Services Office.

Dr. Beck introduced **LeRoy Craig, Chairman of the Board of Trustees**. **Mr. Craig** quoted from the position paper of the NIC and CSI Boards of Trustees, to submit the following statements that reflect the shared beliefs and philosophies of the Boards: "An Idaho community college network must have local governance by an elected board of trustees accountable to the community they serve. The ability of the local board to make decisions specific to its local institutions is essential in meeting the educational needs of the community it serves. An Idaho community college network must be affordable. Retention of local property tax support is essential in order to keep community colleges within the financial reach of their students and be responsive to community needs. An Idaho community college network must be comprehensive. Community colleges must offer a combination of professional technical, academic transfer, community education, and workforce training programs. An Idaho community college network must be accessible to all potential students. The community colleges must be designed to give everyone with an ability to benefit, the opportunity to attend. The best model for meeting the needs of the Idaho community college network is the one that was established in 1965 by *Idaho Code*, Section 33-2100."

Mr. Craig pointed out that the student union building and the recreation center have been built and paid for in full by the students. The fine arts center was built forty years ago by the community with donations of approximately \$1,000 each. Currently, the community is raising approximately \$200,000 to help furnish the new addition to the center that has recently been completed, including two Steinway pianos costing \$90,000. Forty years ago, 68% of the people in Twin Falls county voted for a community college district. Six months later, 88% of Jerome county voted to join the community college district.

Senator Cameron asked how much of the campus has been built with state dollars versus local and federal dollars. **Dr. Beck** said that currently the campus is worth approximately \$151 million. Approximately \$15 to \$16 million is in state funds. Many of the dollars were leveraged out of local funds from the beginning when there was a \$3 million bond, up to recently submitting a DOL grant for approximately \$622,000, which includes a \$65,000 match for local dollars. A lot of the local dollars were federal funds, at which time many state dollars came in as part of the \$15 million to leverage on several of the buildings. **Senator Cameron** commented on the necessity of leveraging local dollars to receive federal and state grants. He further commented that the Legislature has discussed overall costs of running a campus, but not necessarily the costs of building a campus, and reiterated the importance of community involvement in running a campus.

Senator Cameron asked **Mr. Craig** to explain, "How many of the businesses that CSI partners with would they have been able to recruit or train had CSI had to seek course approval from the State Board of Education?" **Mr. Craig** said that there is no way to tell, but that the success story of Dell locating to the area was accomplished very quickly by the administration and the board. Much of this success is

attributed to a board that has one thing in mind, which is to benefit the college and the community. He said that local control brings in other support from the community. **Dr. Beck** added that they are currently working with a company that is concerned about the ability of CSI to create a workforce. The time frame for the company to make their decision is approximately three weeks. He commented that he doesn't believe that he could complete the decision process in this short a time frame if he had to seek approval from the State Board of Education. "Today, time is money, and these companies, when they get ready to move, move fairly rapidly because as soon as the word gets out, land prices go up, labor forces get tight...They want concrete commitments made as to what we are prepared to do for them."

Senator Andreason asked if CSI were to become a part of a six-district community college comprehensive state system, would that deter or enhance their ability to continue to develop as a community college. **Dr. Beck** said that they believe a community college network across the state of Idaho would be beneficial to the citizenry of Idaho. They believe that the word "system" tends to indicate that there will be a governing body over the top to whom all will answer. "When you start talking about economic development, that would automatically put us at a disadvantage, or we would all be the same." He believes this to be problematic. "The ownership from the local communities will go away." They would believe that it is a state system, and you would not see the caring and compassion that CSI experiences. "I think that quality is lost to a great degree when it becomes the responsibility of the state and not the local community." **Dr. Beck** commented that the bigger question to him is what amount of local control, local dollars and state dollars are necessary in order to keep the pride in ownership. **Senator Andreason** asked if the same kind of local control is maintained with the local board, and the same taxing load, would that work? **Dr. Beck** said that he thinks if you get into a situation of equity across the state, for example, a two-tiered system with the two community colleges already in place and build new ones with a different model, where will the public be as far as the fairness/equity issue? They have stated many times there is a need for additional community colleges in this state. They also realize that the state picked up a greater share of the cost for the Jerome, Twin Falls, and Kootenai county taxpayers. There need to be local dollars, ownership and checks and balances.

Representative Rydalch asked, given that there are some boards of advisors that are elected and some appointed, with quick turn around available either way, could the nature of the local control be spelled out in legislation in order to guarantee that local control continues? The semantics of trustees or advisors could be worked out; appearance before the State Board would still be required. **Dr. Beck** said that they take all curriculum items to the State Board to ensure their articulation. The local board is given the ability to start any programs that it chooses. If they want that program to transfer, then the State Board must approve. The State Board carries their budget request. Regarding whether the board should be advisory or trustee, he explained that each is separate from the other; one is strictly advisory, the other plays a more governing role. He said he has seen all forms of governance in various states, all with different systems. From his experience, he is convinced that any system can be made to work. "The question is, if you have one that is working, should you change it, and the bigger question is, can you afford to change it?" Can you keep tuition and fees low and funded 100% with state dollars, or will you need local dollars to provide that access? He commented that one of the largest barriers keeping people from entering college is cost. Eighty percent of students at CSI receive some type of financial aid.

Representative Rydalch asked what CSI's cost is to use the facility in Blaine County. **Dr. Beck** replied that the rent is about \$70,000 per year. She further inquired that if enrollment continues to fall, will CSI

continue plans for a new building in the Fall, and how many dollars are in the foundation? **Dr. Beck** said they will not receive additional state dollars, only the percentage will change. He said that their enrollment has not dropped, it has been increasing; the number of courses that the students are taking has dropped resulting in a drop in FTE. This is happening nationally as the economies improve. At the same time, it goes the other direction when economies turn bad. The new building being considered would be a health science building, which has been an ongoing eight-year plan. At this point, due to the significant need to train additional health professionals in this state, they have asked to move that priority to a health professions building. They would vacate the Aspen Building on the campus and make that their higher education center. There are approximately \$22 million in funds in the foundation, of which almost all is endowed for scholarships.

Dan Chadwick, Executive Director, Idaho Association of Counties (IAC), said that the Idaho Association of Counties believes it is essential to increase the capacity for community colleges in Idaho. However, from the counties' perspective, it is a double-edged sword, which relates to the issue of funding and the responsibilities that counties have. **Mr. Chadwick** referred to Idaho law that states that counties receive liquor funds at 40% of the distributions to local governments; the cities receive the other 60%. Counties are responsible for paying tuition for community college students at \$500 per semester per student who requests assistance, up to a lifetime maximum of \$3,000. This does not occur in Jerome, Twin Falls or Kootenai counties, because they are not responsible for paying any tuition since they are part of a community college district. If there are not sufficient liquor funds, then the county is authorized to levy a property tax of six hundredths percent in order to cover the tuition costs. The county is obligated to dedicate 50% of its liquor funds to tuition costs, and then may levy the tax if there are insufficient liquor funds to pay community college tuition for its resident students. Some counties use all of their liquor funds to meet the tuition obligation. There is no cap on the number of students that counties are obligated to pay tuition for.

Mr. Chadwick referred to Senate Bill No.1388 in the 2006 session, which is legislation that changes the liquor fund distribution formula over a period of time. Counties will receive \$4.2 million back from the water settlement funds and by 2014, there will be a 50/50 distribution of the liquor funds between the state and local governments. It will not change the distribution between cities and counties, which is still a 60/40 split. Counties are still obligated to pay community college tuition; cities have no obligation to pay tuition. He referred to a chart that illustrates what happens under SB 1388 and the new liquor distribution formula. He noted that from 2006 to 2010, the amount that counties are projected to spend for tuition will increase, but will be far less than the 50% under the current circumstances, i.e., without increasing the capacity for additional students. He noted that the distribution in 2010 indicates a minus -1.3% due to the fact that the \$1.8 million water payback distribution per year will stop being added into the distribution formula. Then the process will get on track for equalizing the distribution up through 2014, which will result in a 50/50 split between locals and the state.

Senator Stegner asked **Mr. Chadwick** to clarify that the calculation for the year 2010 is purely an estimate. **Mr. Chadwick** agreed that this is an average estimate based upon existing trends. **Senator Stegner** commented that those are conservative estimates and it is very likely that figure will be a gain rather than a loss. **Mr. Chadwick** agreed with that assumption and said that he doubts that figure will end up to be a negative.

Mr. Chadwick further explained that if the student base is grown, particularly in the Treasure Valley, without also changing this method of payment by counties, it won't take long before all of a county's liquor funds are exhausted. Then the county will have to impose a property tax levy to cover those tuition costs, and such levy will have to fit within the 3% cap. Their concern is not on increased capacity, but on the increased burden on counties as the student base increases. He asked that the Legislature be considerate of the concerns regarding the obligation of counties to pay tuition costs. A copy of the chart presented by **Mr. Chadwick** is available in the Legislative Services Office.

Fred Tilman, Ada County Commissioner and Chairman of IAC Legislative Committee, said that all counties and local governments across the state are very different and are impacted differently in many ways through liquor fund distribution formulas. Some counties are spending every dollar given them through the liquor tax distribution as well as property tax dollars, just to comply with the legislative requirement to pay tuition. Another consideration is the issue of why, historically, the liquor tax distribution through revenue sharing, was distributed back to local governments, including counties and cities. He ascertained that the reason was to enable them to deal with the impacts of the liquor industry on the communities, such as the need to build jail facilities, detox facilities, pay medical costs and enforcement costs. Counties and cities are spending their allocated dollars to provide services in our communities to offset the impact of this industry. Consequently, if all of the liquor fund dollars are spent for tuition, revenue must be found somewhere else to provide for those services, because the need for those services does not go away; in fact, the need is increasing.

Mr. Tilman suggested that it is probably timely that this distribution formula is considered because of the impact of the internet and growing number of students using on-line courses. What that means is that more students are using community college services. When the original formula was created, the impacts that are currently changing the demographics throughout the state were not contemplated. He suggested that one of the challenges for the Legislature is going to be to define the meaning of a community college and its purpose, to discover how to separate community college services out of four-year institutions, to change missions, and to provide for funding.

He said that the highest priority for local government entities is economic development and providing the education for the workforce in order to meet the demands of prospective industries. As an economic tool, the counties understand how important this issue is and support whatever is necessary to better enhance the services that a community college could provide. He encouraged the committee to include the county association at the table during their discussions and deliberations on this community college issue.

Representative Rydalch asked if after community college legislation is drafted, what would the impact be if no charge-back is allowed to the counties regarding community college funding. **Mr. Tilman** responded, "Obviously, anywhere in government, there is no free lunch; somebody has to pay the bill." He said there is always going to be competition to use that funding source, and suggested that if the liquor tax fund is going to be used as a community college fund, take the money right off of the top and then distribute the rest of it. But there will be impact to counties from somewhere. The biggest concern now is the property tax situation; anything that can be done to remove the stress of property tax, would be greatly appreciated.

Tom Mikesell, Twin Falls County Commissioner, read from the Idaho Association of Counties Resolution 2006-16, “Now therefore let it be resolved that the Idaho Association of Counties support legislation for the expansion of the community college system in Idaho as long as it does not impact county liquor funds beyond what was spent in the previous year.” He said that CSI meets academic needs, as well as vocational and adult enrichment classes, offered at a rate affordable to anyone who chooses to continue their education. This opportunity to Magic Valley citizens is imperative to their success as a society, a culture, and individually.

Mr. Mikesell stated that without the assistance and proven leadership of CSI, the companies that have been recruited and that have impacted the economic growth in the Magic Valley, may not have located to this area. CSI continues to work with these companies to insure a quality workforce that can only happen because of the management by a local board whose interest and concerns share governance and a cultural and historical heritage. He said that understanding community is an essential part of the decision making process. “CSI is not broken; Idaho’s community college system is not broken; CSI works well, has a great reputation and is growing to meet and serve the needs of this community.”

Lance Clow, Mayor of Twin Falls and 1st Vice President, Association of Idaho Cities (AIC), commended the citizens of Twin Falls and Jerome counties for their investments, their support of property taxes, their philanthropic generosity, and their volunteer time. **Mr. Clow** asked the committee to consider in their deliberations what they have seen, and to recognize the currently existing opportunities for every community in Idaho and then, “do no harm.” On behalf of the AIC, they do support the desire to increase the capacity for a state community college system. However, one of their concerns is that any expansion of a community college system not be provided by reducing one of the few non-property tax revenue sources to cities and counties. The debate is not about the beneficial value of community colleges, but the decision will come down to money and who will pay.

Mr. Clow said that the success of CSI and NIC has demonstrated to other regions the value of community colleges. AIC sees a threat to the liquor fund distribution formula. Senate Bill 1388 established a new formula that will, over time, move from a fixed allocation of \$8,295,000 for the state to a proportionate sharing that will eventually bring parity between the state, cities and counties. The cities’ share from the liquor fund revenues provides general fund dollars to cities, the largest single expense of which is public safety services, which include the burden of law enforcement resulting from alcohol abuse. The fiscal impact of alcohol abuse in Idaho is staggering. The 2020 Blue Ribbon Task Force estimated the total fiscal impact to the state of Idaho is between \$120 million and \$500 million a year. The cities’ share of the state liquor fund, approximately \$13 million of this, provides funds to two hundred cities across the state. Without these scarce dollars, the services supported by these funds would be carried on the backs of property taxpayers.

Mr. Clow said that cities and counties rely primarily on property taxes; any reduction in the funding of the few revenue sources that they currently have, will shift to property taxes. Cities and counties that are at their limits would be forced to reduce services. Law enforcement is the single largest expense of the General Fund. Their community has not experienced as unfavorable a view of the property tax increases as other regions. He believes this is because, first, they have experienced more consistent property evaluation increases; second, property tax increases have been within reasonable ranges, due to the nature of their community and its economic growth compared to the rest of the state; and finally, taxpayers value how their taxes are being invested, which includes the additional tax to support CSI.

Mr. Clow said, “State-supported community colleges have been a great investment, but it should not be made at the cost of other political subdivisions. Tools currently exist to make it happen. However, the need should be first proven by an investment of those communities that will gain the most from those benefits. If their citizens are not ready or willing to make the investment, the state should not be expected to prove the wisdom of the investment and most certainly, not at the expense of the cities and counties of this great state.” **Ken Harward, Executive Director, AIC**, was available to answer questions.

Representative Rydalch asked if any surveys have been done in Jerome county to determine how they feel about the property tax burden to support the community college. **Mr. Clow** said that five years ago there was some concern, and a property tax reduction was implemented at that time, but he is not aware of anything since then.

Senator Davis asked the mayor if he was saying that if Idaho can find a way to preserve its liquor funds to the cities, allow counties to invest all of their liquor funds in liquor drug enforcement remediation, allow complete repeal of maintenance and operation taxes, and still find a way for you to maintain local control, that your citizens are opposed to it? **Mr. Clow** said that he had stated that AIC will support expansion of community college availability throughout the state, but they are concerned with the loss of potential General Fund revenues, which is their primary concern. They think that the tools are out there for other communities to follow through and establish community college districts the same way that CSI has, without relying on changes in the funding formulas.

Senator Stegner commented that he is certain that the committee and Legislature appreciate the fine reputation that CSI has and would never contemplate anything they thought would damage their ability to succeed in the future. He stated that he does not believe that the reference made to “not changing something that is not broken,” fits the current model. He further commented that we already have in this state, people attending a community college and getting a community college function at other institutions where the counties are not obligated to pay any of the additional support. There are already two models in the state, and the challenge that the Legislature has, to go forward, is to try to find one that fits the entire state and treats people equally across the state. It is not simply a matter of saying “leave us alone because our system works;” it is a matter of recognizing that we are not going to get an additional community college if we put a property tax burden on members of that county. We have a legitimate dilemma and stating that we want to keep the existing condition, does not satisfy the situation. We appreciate your unique circumstances and the tremendous success of CSI, but we can’t automatically take this model and apply it to other areas of the state who need this service. He asked **Mr. Clow** if he would like to respond. **Mr. Clow** said that, speaking on behalf of the AIC and the city and their concerns regarding the revenues that are potentially at risk to support other regions throughout the state, they do believe the model can be copied throughout the state. He requested that whatever decision is made, that the Legislature “do no harm” to what currently exists. He stressed how important the impact of having local control has contributed to the success of growing CSI and recruiting industry, particularly Dell computers.

Representative Bolz acknowledged the example of Dell Computer and how the community college has helped with economic development, and noted comments made earlier as to why counties should be the only ones to have to help finance the community colleges when the cities are also gaining the benefit of this economic development. Given that, if the Legislature should decide to use the liquor dispensary

funds for the means of funding community colleges, is the Association of Idaho Cities willing to put some of those funds into this? **Ken Harward** responded by saying that the association would be happy to look at all of the solutions put on the table. It does need to be pointed out that over two-thirds of Idahoans reside within cities, and they are also county residents. We think currently there is a participation from the cities from that standpoint.

Dr. Cliff Green, Executive Director, Idaho School Boards Association, addressed the issue of K-12 preparation for transition to postsecondary education without remediation. Last spring he and members of the State Board of Education, the State Department of Education, Idaho Association of Commerce and Industry and other stakeholders attended a week-long planning session in Big Sky, Montana on the subject of how to close the achievement gap between K-12 and higher education in Idaho. The goals of their workgroup were to: align K-12 standards with entry-level employment and postsecondary expectations; and to identify standards and an assessment system that indicate college and work readiness to students, parents, K-12 and the postsecondary community. He described the process used, particularly “alignment institutes.”

Dr. Green said that presently, Idaho stakeholders are developing a plan to address this achievement gap between K-12 and higher education. They have come up with some “bridge standards” bridging standards from the 10th grade up to higher education. These bridge standards are for 11th and 12th grades in language arts and math, which are being reviewed and will be released for K-12, business and public comment in the spring of 2007.

Dr. Green listed questions still to be addressed:

- Bridge standards implementation – Are these high school exit standards?
- Bridge standards must be embedded in state and local policy to be effective and used. Postsecondary policy will have to change due to the changes in secondary standards and policy.
- Curriculum revision in language and math for 11th and 12th grades statewide.
- Data systems are ultimately important; there is a need to begin to track students K-20.
- Testing, how will we measure proficiency? Should the tests be summative, formative or both? End of course? or Statewide?
- Accountability has to be included, and how to do that.
- How to communicate to parents, students, K-12 community and postsecondary community?
- How will these be used to help students and parents prepare for the future?

To answer some of these questions, they have looked to other states that have engaged in these practices, specifically Indiana and Ohio. Indiana’s program called “Core 40” tracks and addresses transitions from K-12 to postsecondary, and Ohio’s “Ohio Core” is a program tied to economic development. **Dr. Green** described both programs in some detail.

Dr. Green emphasized that when you are looking at closing an achievement gap between K-12 and postsecondary education, teacher quality is a major consideration. He referred to a presentation by **Dr. Katie Haycock, Director of the Education Trust**, who spoke at the conference, the topic centering around the importance of “teacher quality.” He said that in order to have a plan for closing the achievement gap, we must think differently about teachers. Quoting from **Dr. Haycock**, “Teacher quality has a dramatic effect on student achievement. Three years of a good teacher or three years of a poor teacher can make or break a student’s academic career.” The presentation dispelled myths about

teachers and their preparation: that teacher turnover is high, and that there is a shortage of teachers nationwide. Also included were two studies, one from New York City (Boyd, Gossman, et. al) and the other, Los Angeles Hamilton Project (Gordon, Kane, Stigner, et. al). The studies reflect high impact teachers and, depending on the route of certification they have taken, how that affects student achievement. Also included are recommendations by **Dr. Haycock** of ways to close the achievement gap. A copy of **Dr. Haycock's** presentation is available in the Legislative Services Office.

In closing, **Dr. Green** said that the problems of closing the achievement gap are beginning to be addressed. Bridge standards are being worked on by stakeholders, and the right questions are being asked. If we consider the data and avoid the myths, and learn and leverage more regarding high impact teachers as **Dr. Haycock** suggests, we will be further ahead. **Dr. Green** suggested that a presentation, by the team that attended the conference, describing the bridge standards and the process they are using to accomplish closing the achievement gap, would be well worth legislators' time.

Dr. Wiley Dobbs, Superintendent of Twin Falls School District, said they will discuss the strategies their district is employing to better prepare their students for postsecondary education, whether that education is in professional-technical programs, college, military, or others. **Dr. Dobbs** commented that their district, in fact all of the districts in the area, enjoy the working relationship they have with CSI. They share facilities, equipment, faculty and also a shared philosophy statement. **Dr. Dobbs** further commented that, speaking for the Twin Falls School District, they would like to have feedback regarding remediation at the college level. Students who are struggling may need intervention, but students who are advanced in their learning and test in the high range, also need help in being challenged. They need feedback on how their strategies are working. They receive very little feedback or data regarding specific information about students who are in need of remediation at the college level. It would be helpful to know what percentage of students needing remediation are traditional, going directly to college from high school, and what percentage are non-traditional, returning to college after a year or more of being removed from an education system, and also to know in which subject areas they are needing remediation. He would like to see all institutions of higher learning in the state share this information with the high schools.

Mary Lu Barry, Director of Curriculum and Secondary Programs for Twin Falls School District, commented about the importance of community and of having that community relationship. She said that the community tied with CSI is critical when it involves academics; CSI is very responsive to the district's needs. She touched briefly on ways they are addressing the issues of partnerships and community as it relates to remediation and the achievement gap.

CSI and high school English teachers have met to discuss which skills in language and literacy CSI expects, and how can the need for remediation be reduced. **Ms. Barry** commented that the terminology used to refer to the remedial help center where students take non-credit courses, is the "academic development center," or the "continuous progress center." The bottom line in achievement comes from good teachers. They work together with middle school math teachers and college math instructors to develop units to strengthen math instruction in middle grades. They believe that their curriculum alignment will be in place if it is focused on skills and concepts. They emphasize monitoring student learning; if the student is not learning, there is intervention and steps are taken to help the student.

They offer alternative programs, including Idaho digital learning opportunities, Magic Valley High School and Bridge Academy and night school, to reduce the need for non-credit college courses. They offer pre-engineering and health occupations among others. Advisory committee representatives from the college, community, business and public schools are available. Early planning in career education is emphasized for students working toward industry certification. They are planning to provide COMPASS (Curricular Options in Mathematics Programs for All Secondary Students) to juniors.

The role of the community college is information sharing, professional development classes and communication. **Ms. Barry** quoted from the *Chronicle of Higher Education*, “There is an urgent need for better communication and greater interaction among high schools and colleges.” She believes that their district and CSI have taken the lead on that, and they are seeing results academically, socially, emotionally and as colleagues. An outline of Ms. Barry’s remarks is available in the Legislative Services Office.

Ben Allen, Principal, Twin Falls High School, commented that they have a wonderful relationship with CSI and its Board of Trustees. **Mr. Allen** further commented that he feels they have an advantage with being able to articulate with CSI both in the academic and vocational fields. He said that they do not really have a way to measure whether their students are prepared for college or the workforce. The high school does have some advantages, though, because they offer several classes for dual credit. **Mr. Allen** said that the gap they face today is the difference between the good students, and those that may need more academic development, a gap that is rapidly increasing.

There is a huge gap in mathematics, meaning the students are not as prepared coming into high school, and are not as well prepared as they should be when leaving high school. If students have not completed Algebra II at the high school level, they usually are not ready for college algebra and will have to use the academic development program at the college. The gap in the language arts area is not that extensive; students generally test well. “Good teachers generally produce good students.” He is very thankful that CSI provides educational opportunities that allow teachers to take classes and become prepared to do a better job in the classroom.

Senator Goedde asked **Dr. Green**, at what level of K-12 students should CSI address students and say, “Here is what we have to offer, and here is what you need to take to get there.” **Dr. Green** said that most universities and colleges have a campus day where the students meet with representatives of those campuses. They are given the opportunity to discuss what the requirements are. He believes this is too late. Communication is the key. Those standards need to be laid out a couple of years prior to entering the institution. There are indicators along the way, such as the ISAT and other assessments that will indicate whether the student is ready for college, or not. The student, as well as the parent, should have an idea of the readiness just by looking at the data that is provided them.

Dr. Dobbs responded to the question by saying that currently for the last three years, the Twin Falls School District has sent all sixth graders to the CSI campus on a day that is called, “I am going to college day.” The students, about 120, are given shirts, a backpack and information about access, funding choices for college, and attend classes. Also, CSI allows him to present each student with a \$50 scholarship that they can begin using in high school for a dual credit class. **Dr. Dobbs** commented that this is another way they partner with CSI. **Senator Goedde** asked **Dr. Dobbs** to confirm that sixth grade is an appropriate level. **Dr. Dobbs** said that this has worked well for them for the past three years, and

they will be looking, among a number of things, at how many more students will be participating in dual credit courses.

Representative Rydalch prefaced a question by commenting that the people that **Dr. Green** works with in his association are elected school board members from throughout the state no matter what level of education or training. Given that the state budget is extraordinary, she asked **Dr. Green** if he has noticed any erosion of powers by those local boards on behalf of the state because of that extraordinary funding that goes to local school boards and through their districts. **Dr. Green** said that about 80% to 95% of the budget is for personnel purposes. The other 10% to 15% are discretionary moneys, which are used for heating and lighting buildings, and to purchase textbooks. The area where there is the most local control is in setting policies for the management and governance of their schools. It is not the checks they receive from the state. He cannot answer whether or not they have seen erosion of the 10% to 15% left in the discretionary fund because of the recent legislative change from maintenance and operations funded by property tax to a General Fund allocation to each of their districts. He will be in a better position to answer that question when they can analyze the data down the road.

Senator Andreason asked **Dr. Green** to compare the percentage of the Indiana student population with English as a second language with that of Idaho. **Dr. Green** said that he did not have the numbers on English as a second language in Indiana's population. **Dr. Green** agreed to obtain that data for the senator.

Senator Malepeai commented that the committee, in its deliberations, needs to seriously look at all of the various partnerships that are formulated in the community colleges and sister institutions of higher education and see how extensive some of those partnerships are; we should determine if they need to be enhanced. **Senator Goedde** affirmed the point, and commented further that he believes this is actually a K-20 issue to which the State Board ought to pay particular attention, if we are to offer a seamless education from kindergarten through the highest levels. "That is the only way we are going to get rid of paying twice for the same thing."

Following a break for lunch, the committee reconvened at 1:30 p.m., **Senator Goedde** presiding.

Co-chair Senator Goedde opened the floor to public comment. There were five persons who offered testimony at this time.

Tony Brand, Chairman of the Board, Twin Falls Area Chamber of Commerce, introduced two board members, **Mary Shaw and Mike Pohanka**. **Mr. Brand** said that earlier in the year, their Government Affairs Committee drafted a legislative proposal pertaining to the governance of community colleges. He read from the draft, which has been approved by their Board of Directors and forwarded to their local legislators: "Support of local governance and decision making for community colleges: The Chamber understands the value of community colleges as a support for local and statewide economic development and workforce training efforts. While the Chamber supports the concept of a statewide community college system, we encourage the Legislature to ensure local governance in decision making in the involvement of local citizens in the management and mission of these colleges. We also encourage the Legislature to utilize the existing community college models in Coeur d'Alene and Twin Falls for any potential changes to the community college system." He remarked that this is their statement and their position on the community college issue.

Mike Pohanka, Twin Falls Chamber of Commerce, Board of Directors, said that he is a past board member and past president of the Jerome Chamber of Commerce, is a Jerome county resident and graduate of CSI. CSI has been pivotal in working with institutions that are looking at locating to this area; Jerome has been a beneficiary of that. He said that he has never had any “qualms” in paying taxes to support CSI and they are lucky and blessed to have CSI here.

Kent Just, Twin Falls, has followed the community college debate for years, and the debate at this time is really only for Ada and Canyon counties. He questioned why they would want to have a separate community college. CSI is their cultural center, their heart and soul and everything besides academia and workforce training. Other “cultural centers” like CSI and NIC are already in place, such as BSU, Albertson College and Northwest Nazarene College. Therefore, he suggested that we make it easier for those who really want to have that academic and training center, to get it done through the vote of the people. He noted that since most of the population in Ada and Canyon counties support education, why not lower that two-thirds majority? He suggested presenting the issue to voters in Ada and Canyon counties as strictly an academic center, and give them the opportunity to make it work under the current structure, but with a simple majority requirement.

Senator Goedde said that he believes the issue is more than just Ada and Canyon counties. There are four-year institutions offering community college classes at four-year institution tuition rates; there is inequity for students attending those institutions rather than CSI or NIC. Where do you find a solution to that issue? **Mr. Just** responded by saying, “One bite at a time.” Go one step at a time to solve that need in southwest Idaho, and then continue on as needed.

Ray Stark, Boise Metro Chamber of Commerce, said that he and Nancy Vannorsdel, President of the Chamber, have been meeting this summer with the Idaho Business Council for Education Excellence, the counties and industry, and others. A question that arose in one of those meetings was, “What could we agree on?” followed by the question, “What could pass?” He said the answer may be that if the Legislature can help them by reducing the super majority requirement in Idaho statute to create a community college district, they can help themselves. “By helping us help ourselves, I think we could give it a shot.” The Boise Chamber has a lot of experience in working on bond elections and votes, some that require two-thirds, and some that do not. It is a battle to get a two-thirds vote.

As mentioned earlier, **Mr. Stark** said that the school districts in the Treasure Valley area have all passed bonds in the last ten years; approximately \$300 to \$400 million in bonds. But, school bond elections are different. Bond elections for schools are unique because they are not held at a consolidated date or a main primary, or the November general election; they are held at a special election, with a lot of school teachers, administrative staff and parents voting. “Two-thirds is tough to get.” He has not found a two-thirds election that was not school related. There are instances in Idaho Code that allow a simple majority for certain things; twenty years ago, the Legislature passed authority for highway districts, and later for counties, for local option vehicle registration fee. A property tax override for two years was passed by a simple majority during Governor Batt’s term.

Mr. Stark said that they would like, with the approval of the Legislature, to try in May of 2008 for a property tax district for a community college, as a long-term goal. In the meantime, a short term recommendation would be to provide state funding for increased access for new community college students. A handout was distributed to the members that summarized the simple majority concept for

community colleges. **Mr. Stark** stated that this is not a constitutional amendment to change bond approval that is required under our constitution; this is a statute change that is in Idaho law. Regarding location/site for a campus, the Chamber suggests using empty public school buildings, warehouses, office buildings, or leasing space. A copy of **Mr. Stark's** handout entitled, "State Statute Options and State Appropriations" is available in the Legislative Services Office.

Senator Goedde commented that when NIC passed their community college district some seventy years ago, it was by a simple majority.

Ross Borden, Special Assistant to Dr. Bob Kustra, President of BSU, referred to a chart that illustrates the costs for 2006-2007 full time students fees/tuition for selected professional-technical majors at BSU, CSI, EITC, ISU, LCSC and NIC. **Mr. Borden** noted that a student attending LCSC, ISU, or BSU will pay twice as much for the same professional-technical education as they would at CSI, EITC or NIC. A two-year associate degree at BSU costs \$8,308; the same degree at CSI would cost \$4,000; and at EITC it would cost \$3,156. The primary aim of the community college has to do with access and affordability. BSU can provide access to professional-technical education but not affordability, and can provide neither access or affordability for lower division academic courses.

BSU set a record a few weeks ago for enrolling 18,876 students. Over 800 students were turned away because they could not meet the graduation requirements, which are the most stringent in the state. By the end of this academic year, BSU will have denied access to over 1,000 degree-seeking students. Of these 1,000, some will enroll in non-degree courses and some in professional-technical programs; the rest cannot be tracked if they do not enroll in any other college. There is a serious need for a place for these students. A copy of the chart presented by **Mr. Borden** is available in the Legislative Services Office.

Senator Malepeai asked if the curriculums are the same for the same classes in the four-year and two-year institutions. **Mr. Borden** said that he believes they are generally the same, for the same type of associate degree.

Senator Cameron asked if another college were created in the Ada/Canyon county area, would the fees for BSU, ISU and others be reduced? **Mr. Borden** said that the goal from BSU's perspective, is to establish, incubate, and spin-off a community college whose fee structure would approximate what the students who have access to CSI, NIC and EITC currently enjoy - yes. **Senator Cameron** asked what is preventing BSU at this current stage from charging those lower fees for that one year technical certificate or two year associate degree. **Mr. Borden** said that this is as much tradition as anything. They believe they charge the most affordable rate possible. However, according to BSU's model as a four-year institution, there needs to be parity among the student body. **Mr. Cameron** followed up by commenting that he is concerned about access and overall cost. He is not sure that by creating a statewide community college system, that we do anything to reduce cost. In fact, costs may increase as it becomes a statewide system. We have access problems with education, nursing, business management, law enforcement, and others, all of which require a four-year degree. So maybe if we want to improve access, we should be talking about offering four-year institutions rather than spending time on community college issues.

Senator Goedde asked why the costs for the same class are higher at BSU and other 4-year institutions. Either BSU has increased expenses to offer the same classes that CSI and NIC offer at a reduced rate, or the overall costs for the university are higher. **Mr. Borden** said that the community colleges have other sources of revenue to contribute to the General Fund appropriation they receive that allows them to offer lower fees. **Senator Goedde** asked if **Mr. Borden** is suggesting that the four-year institutions do not have the appropriate appropriation. **Mr. Borden** said that he is suggesting that BSU does not have other revenue sources, such as property taxes and county tuition, to be applied to professional-technical education.

Senator Little noted that one of the restraining factors to expanding and providing service to more students on the campus at Boise State, is the lack of real estate. Part of that student servicing includes providing adequate parking, and with the high cost of real estate, even making parking spaces available amounts to considerable expense.

Representative Rydalch asked if there weren't other things that are built in when comparing costs at a community college versus costs at a four-year institution where the professors and the types of academia required at a university level are much higher, such as teaching Ph.D.-level courses rather than AA courses at a community college. **Mr. Borden** confirmed that she is absolutely correct in that it is less expensive at a community college because of the type of faculty needed to deliver the instruction to students, and cost of facilities, research labs, etc., that make a community college education less expensive than an education at a four-year institution.

Senator Goedde asked committee members to take note of the several reference materials provided in each committee member's packet; a copy of each is also available in the Legislative Services Office:

- New Times article entitled, "At 2-year Colleges, Students Eager but Unready"
- Notes from Dr. Copa's workshop at the meeting in Coeur d'Alene
- "Policy Challenges: What should the Legislature do about improving and expanding college services in Idaho?"
- Opinion from the Attorney General's office regarding HB 553, 2000, with a copy of the bill attached, providing for an income tax credit
- Topics for Committee Discussion supplied by the co-chairmen.

Senator Goedde reiterated his comments from the first meeting of this committee when he said that access and equity are part of the solution, and the access is not only geographic but fiscal. The equity is also fiscal on the part of the student paying tuition and for the taxpayer. In addition to these considerations, **Senator Goedde** asked the committee to submit any suggestions for draft legislation to Maureen Ingram by no later than September 25, 2006, if they are to be reviewed at the next meeting on October 3, 2006. **Senator Goedde** then opened the floor for committee discussion.

Representative Smith offered the following ideas/topics for discussion at the next meeting:

- Contribution of state assets to formation of new community college districts
- Lowering the super majority to a 60/40 or 50% plus one
- Standardizing the tuition for vocational technology and academic courses with state subsidy
- Identify the funding source

- Income tax credit for those who pay a property tax to a community college district

Senator Malepeai said that he would interested to know if the curriculums in the electronics programs are exactly the same between the courses offered in four-year institutions and the same courses offered in community colleges.

Senator Davis referred to the reference made in Ray Stark's handout about holding four-year institutions harmless, and asked if there is a way to understand on a per year basis what we could reasonably expect those costs to be, so that if an institution would be held harmless for year one or year two, what are some parameters in holding the institution harmless cost wise. **Senator Goedde** said that staff could ask the institutions and provide that information.

The meeting was adjourned at 2:20 P.M.