

MINUTES
SENATE EDUCATION COMMITTEE

- DATE:** Thursday, January 19, 2012
- TIME:** **Chairman Goedde** called the meeting to order at 3:02 P.M. and asked the secretary to take a silent roll.
- 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.
- S1224** **Jason Hancock**, from the State Department of Education spoke regarding **S1224**. This bill is a simple change that deals with section 33-514 of the Idaho Code. This bill is clarifying the effective date as to when parental input has to be included in teacher evaluations. The original bill stated that building administration evaluations were to occur after June 30, 2012, and the intent was it to be the same for teacher evaluations. In adding the parental input in the second piece of the bill it gives districts some flexibility as to when they take that input rather than it being tied the February 1st deadline.
- Chairman Goedde** asked if there were questions from the committee, there were none. There was no testimony from the audience.
- MOTION:** **Vice Chairman Mortimer** moved, seconded by **Senator Fulcher** that **S1224** be sent to the floor with a do pass recommendation. The motion carried with a **voice-vote**. **Chairman Goedde** will carry the bill on the floor.
- Chairman Goedde** turned the gavel over to **Vice Chairman Mortimer** so he could introduce **Senate Bill S1223**
- S1223** **Chairman Goedde** introduced **S1223**. The current statute only gives school districts the ability to authorize the use of school buildings for various public purposes. This bill would extend the ability for local school districts to authorize the use of vacant land. There were no questions from the committee and no testimony from the audience.
- MOTION:** **Senator Fulcher** moved, seconded by **Senator Andreason** to send **S1223** to the floor with a do pass recommendation . The motion carried by **voice-vote**.
- Vice Chairman Mortimer** returned the gavel to **Chairman Goedde**.
- PRESENTATION:** **Paul Headlee**, Principal Budget Analyst, State Legislative Services Office, presented an overview of the Education Budget; K-12 and higher education. He had handouts for all committee members. He began with explaining the K-12 financial plan regarding the budget request and the Governor's recommendation. The spreadsheet explains the current budget, requested budget, and the Governor's recommendation. He reported to the committee where the revenue is derived and where the money is dispersed.
- Chairman Goedde** asked which year had the infusion of approximately \$20 million from the State Endowment Fund? **Mr. Headlee** replied that was fiscal year 2011.

Mr. Headlee then went on to explain the statutory distributions that are mandated by code. He highlighted some of the larger categories: transportation, salaries which include benefits, and explained those in detail. The pay for performance and the mobile computing devices are now included as a line item in the budget.

Senator Pearce asked **Mr. Headlee** where are the benefits portion of the budget that the Governor addressed in the State of the State Address? **Mr. Headlee** replied that for teachers it is about a three percent increase to \$25.5 million and that it is in the report on another page.

Vice Chairman Mortimer asked if there is a place where the maintenance appropriation is located? **Mr. Headlee** replied it is shown in the FY 2011, and that column is not on the page, but it will be spent in 2012. **Vice Chairman Mortimer** asked will history show that it was spent in 2012? **Mr. Headlee** replied that it would be shown that way in the Legislative Report.

Chairman Goedde asked if the pay for performance and the salary based apportionment funds will be available for educator salaries? **Mr. Headlee** replied that allocation is in the budget.

Senator LeFavour asked if the Governor's recommendation in the budget was cut and if the pay for performance piece was taken out, what would be the difference in teachers' salaries? **Mr. Headlee** replied the difference would be a 3% decrease.

Chairman Goedde asked if the referendum that is on the ballot for 2012 successfully repeals the pay performance, what happens to that \$38 million. **Mr. Headlee** responded he is not sure. It could go away or it could be added to the budget. **Chairman Goedde** asked if this budget is passed and the appropriations are approved there could be a predicament as where those funds go. **Mr. Headlee** stated that possibly there would be an amended budget.

Mr. Headlee proceeded to then review the non-statutory distributions. This means that the program may be in statute but there is no statute regarding the amount to be spent. The money that is for those distributions is money that is left over from the statutory distributions. Discretionary dollars can be spent in a variety of ways. Supporting document related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see Attachment #1).

Mr. Headlee reviewed with the committee the single page handout that covered the five major budget considerations. Supporting document related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see Attachment #2). Questions were asked in regards to the funding of teachers' salaries and benefits budget. Having answered all the questions adequately, **Mr. Headlee** then went on to give the committee an overview of the college and institutional portion of the budget book.

INTRODUCTION: **Chairman Goedde** recognized and welcomed the newest college level lobbyist and former **State Senator Joe Stegner** for the University of Idaho, to the committee meeting.

PRESENTATION: **Mr. Headlee** then continued with his presentation of the college and institution budget. He reviewed the trends in revenue and enrollment.

Senator Pearce asked if the increase of tuition is built into this budget. **Mr. Headlee** replied that the legislature does provide the spending authority for those dollars. The fee increase would occur in April after the budget is approved. Those funds gathered would not be appropriated until the following year and are built into the institution's base. There is a one year lag-time for spending appropriations.

Senator Pearce then asked what the real increase in spending will be? **Mr. Headlee** replied that he would need to get back to **Senator Pearce** with that figure after he ran some numbers.

Senator Malepeai asked what percent of the education budget is appropriated. **Mr. Headlee** replied that approximately one third is appropriated and the other two thirds come from other budget sources; such as federal grants, donations, or private grants.

Mr. Headlee concluded his presentation by highlighting two line items from the Superintendent of Public Instruction's budget: The Albertson's Foundation Funding and the Longitudinal Data System. He explained the timing for the use of those funds.

Having no more questions, **Chairman Goedde** thanked **Mr. Headlee** for his presentation.

Chairman Goedde next introduced and welcomed **Rakesh Mohan** from the Office of Performance and Evaluation to report the study entitled "Equity in Higher Education Funding". **Mr. Mohan** stated that this study is Idaho specific and looks at the issues that Idaho encounters in funding higher institutions. **Mr. Mohan's** conclusion was that this is a policy issue that needs to be decided by policy makers; the policy makers must define what equity means.

PRESENTATION: **Mr. Mohan** introduced **Lance McCleve** from the Office of Performance Evaluation who with **Maureen Brewer**, from the same office, conducted this study. **Mr. McCleve** presented the study to the committee.

Mr. McCleve stated that the equity issue has existed for approximately 30 years and came to the conclusion that equity is a political issue. There is a lump sum appropriation by the legislature to the Board of Education, who then allocates those funds among the state's institutions for higher learning. Past efforts to address equity have been centered on the enrollment workload. This method is not a good tool for assessing equity but instead for predicting growth over time. This report is about equity: the findings and the recommendations. There are two recommendations that the OPE suggested: 1. set a standard that defines a tolerance range for differences in funding levels and 2. create a feasible, sustainable plan to meet the standard. Supporting document related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see Attachment #3).

Mr. McCleve's report recommended that if the institutions have equity issues it should be defined clearly as to why the funding is different at one institution versus the other. **Mr. McCleve** then concluded with the following suggestions: the Board of Education should establish a formal policy defining the standard for what level of funding is considered equitable and why that level of money is considered equitable. The most important concern of this recommendation is that once the level of equity is agreed upon, it is recognized and it is formalized. Regardless as to how it has been treated in the past, equity policy needs a starting point. The second suggestion was that once equitable funding has been defined the Board of Education should establish a feasible and sustainable plan to meet that standardized level.

In order to make equity work, cooperation is the most important means for the Board of Education and the institutions. **Mr. McCleve** then opened for questions.

Chairman Goedde thanked him and the Office of Performance Evaluation for this work and had one question. **Chairman Goedde** inquired if **Mr. McCleve** knew how much of that \$17 million came before the 2007 equity agreement. **Mr. McCleve** replied that he did not know the specifics and that **Mr. Headlee** may know the answer. However, over the time period that equity has been tracked, all the institutions have had a decrease in enrollment. **Mr. McCleve** encouraged the committee to read this report as there is very good information into past and present procedures and trends.

Chairman Goedde asked if there were further questions. Having none he thanked the Office of Performance Evaluation for their work.

ADJOURN: **Chairman Goedde** adjourned the meeting at 4:36 P.M.

Senator Goedde
Chairman

LeAnn South
Secretary