

MINUTES
SENATE EDUCATION COMMITTEE

DATE: Thursday, January 17, 2013
TIME: 3:00 P.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairman Goedde, Vice Chairman Mortimer, Senators Pearce, Fulcher, Nonini, Thayn, Patrick, Durst and Buckner-Webb
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.

CONVENED: **Chairman Goedde** called the committee to order at 3:04 p.m., and a silent roll was taken.

PRESENTATION: **Chairman Goedde** introduced Jason Hancock, Department of Education, to present an alternative view of the impact of Propositions 1, 2 and 3, and what to do with the \$30.6 million left in the budget. His numbers are slightly different than those presented by Paul Headlee, Legislative Services, Office of Budget and Policy, and represent not so much a change of the numbers, but a different way of looking at them from strictly a school district perspective. His handouts, therefore, eliminate reference to spending by the State, and focus only on spending by school districts. Referencing Mr. Headlee's "Option 2" and look at its impact on school districts, the impact of restoring the second half of the technology distribution, restoring dual credit, restoring math and science, restoring "use it or lose" it flexibility and reinstating the unfreezing of education credits, and do nothing else, you end up with an additional \$14.8 million distributed to school districts than what was assumed when they set their budgets in June 2012.

Vice Chairman Mortimer summarized that what the Legislature is doing as a result of the Proposition 1, 2 and 3 repeal is that Use It or Lose It is not going out to the districts; the freeze is being kept in place, and that is the net effect. **Mr. Hancock** explained that his purpose has been to put together scenarios to answer questions from various people, and Superintendent Luna will likely lay out his ideas. **Chairman Goedde** thanked Mr. Hancock for his perspective.

PRESENTATION: **House Representative Trujillo** introduced District 91 Superintendent Goerge Boland, who, in turn, introduced Matthew Bertasso, Director of Compass Academy. Compass Academy is part of the New Tech Network, an organization that helps redesign schools all over the country from a traditional method of education into one that is innovative and better suited for the 21st Century. Compass Academy utilizes a project-based mode of instruction in which students interact and collaborate for projects, and then present the concepts learned in those projects. This model provides accountability between the students who hold each other to a "contract" to complete the group project. Two teachers in each classroom help guide the projects, which are often designed in the student groups. All work is done on laptops, which the school provides, at a cost of about \$900-1000 per student. Little damage has occurred, and was almost exclusively accidental. Curriculum parallels traditional teaching methods, but differs too: Related subjects are paired together into one course, such as History-English so that students learn the relationship of what they are learning to how that information applies in real world understanding. Grades are based on content learned, but also on collaboration, communication and

cooperation. Students are recruited by open application to match demographics of the area, including those with disabilities. Currently Compass Academy serves 300 students in ninth and tenth grades. A new grade will be added each year, until it is a full functioning high school. **Chairman Goedde** invited Mr. Bertasso to visit again via the internet so that the committee can experience students and teachers in action.

PRESENTATION: **Chairman Goedde** next introduced Tim Hill, State Department of Education, to present "Education Funding 101" and the process by which education is funded. **Mr. Hill** explained that education is a service industry with operation costs just like any other business. The largest percentage of its budget, 85 percent, goes to salaries and benefits. Therefore, distribution methods have been put in place to equitably distribute available funds. These funds come from four primary sources: the state's general fund which is supplemented by state dedicated funds, federal funds, and local funds such as property taxes. For fiscal year (FY) 2013, \$1,966,813,100 (\$1.97 billion) was appropriated.

Average Daily Attendance (ADA) drives the allocation of appropriated funds, and is calculated from public school data submitted to the State Department of Education monthly. For funding purposes, two calculations are most important: 1) from the first day of school to the first Friday in November, and 2) the best 28 weeks of attendance in the school year.

ADA is then converted into Support Units (divisors), taking into consideration the size of the school district or charter school's attendance categories. Smaller schools will require less ADA to generate a support unit, and larger schools will require greater ADA to generate a support unit because smaller class sizes still require full-time staffing costs. Grade category is an additional factor in distributing funds. For example, funds of \$2,000 per kindergarten student ADA represents a divisor of 40, while \$6,700 per secondary ADA represents a divisor of 12.

Support Units based on the first reporting period are used to calculate salary and benefit apportionment. Support Units based on the best 28 weeks are used to calculate discretionary funds. An additional Experience and Education Multiplier index is also used and is the primary variable in determining a school district's or charter school's support unit value. For each Support Unit, the additional staff allowance ratios are used to calculate staff allowance.

Base salary for each category, as well as the minimum instructional salary, are reviewed and set by the legislature each session. A school district's or charter school's salary apportionment is basically: Support Units x Staff Allowance Ratio x Index (except Classified x Base Salary). Benefit apportionment equals 18.04 percent of salary apportionment and is based on the Public Employee Retirement System of Idaho (PERSI) and Federal Insurance Contribution Act (FICA).

In summary, the amount per ADA that a school district or charter school receives is generally based on size (ADA), student mix (grades served) and staff hired (experience and education multiplier). The most influential factor of these is ADA, based on attendance from the first day of instruction to the first Friday in November.

For more detail, please see the attached summary and charts incorporated herein by reference.

ADJOURNED: Being no further business before the committee, **Chairman Goedde** adjourned the meeting at 5:07 p.m.

Senator Goedde
Chairman

Elaine Leedy
Secretary