

MINUTES
HOUSE EDUCATION COMMITTEE

DATE: Tuesday, March 05, 2013

TIME: 9:00 A.M.

PLACE: Room EW41

MEMBERS: Chairman DeMordaunt, Vice Chairman Nielsen, Representatives Shepherd, Wills, Bateman, Boyle, Agidius, Clow, Gestrin, Harris, Horman, Mendive, VanOrden, Pence, Kloc, Ward-Engelking

**ABSENT/
EXCUSED:** None.

GUESTS: Dr. Linda Clark, Joint School District 2; Harold Ott, Idaho Rural Schools Association; Phil Homer, Idaho Association of School Administrators; Bert Marley and Robin Nettinga, Idaho Education Association; Karen Echeverria, Idaho School Boards Association; Marilyn Whitney and Jason Hancock, Idaho State Department of Education (ISDE)

Chairman DeMordaunt called the meeting to order at 9:02 a.m.

MOTION: **Rep. Agidius** made a motion to approve the minutes of February 27, February 28, and March 1, 2013. **Motion carried by voice vote.**

RS 22159: **Karen Echeverria**, Idaho School Boards Association, presented **RS 22159**. She indicated the proposed legislation sets out criteria for paid and unpaid leave, and would allow the board of trustees to place an employee on unpaid administrative leave when that employee has a criminal court order that prevents them from complying with the terms of their contract. In addition, the legislation sets out criteria for paid leaves of absence and what will occur if two employees in a school district have competing "no contact" orders.

MOTION: **Rep. Wills** made a motion to introduce **RS 22159**. **Motion carried by voice vote.**

RS 22161: **Karen Echeverria**, Idaho School Boards Association, presented **RS 22161** to the committee. She said **RS 22161** contains an amendment clarifying that mediation can still be used if both parties reach an impasse in negotiations. However, mediation would still need to be concluded by June 10. Ms. Echeverria indicated the proposed legislation also contained a one year sunset clause. She said, after meeting with the IEA, one change was made to the proposed legislation and that was to change the term "good faith offer" to "last best offer."

MOTION: **Rep. Nielsen** made a motion to introduce **RS 22161**. **Motion carried by voice vote.** **Rep. Ward-Engelking** requested to be recorded as voting **NAY**.

RS 22134C1: **Karen Echeverria**, Idaho School Boards Association, presented **RS 22134C1**. She told the committee **RS 22134C1** sets out the criteria which can be used by a school district when considering a reduction in force. She said, in the past, seniority was the only factor that could be considered when imposing a reduction in force. She indicated the change in the proposed legislation still allows for the use of seniority as a factor in reduction in force, but clarifies that it cannot be the only factor. The proposal will also allow a school district to adopt a policy establishing an equitable recall of those employees who are subject to any reduction. She noted the IEA and the ISBA worked cooperatively to create **RS 22134C1**.

MOTION: **Rep. Nielsen** made a motion to introduce **RS 22134C1**. **Motion carried by voice vote.**

S 1089:

Sen. Bayer, presented **S 1089**. He explained the bill repeals the Early Retirement Incentive Program (ERIP) for teachers. He said the program distributes bonuses to teachers who are at least age 55 and are retiring before age 63, and before reaching the PERSI Rule of 90. The program was originally established in 1996 to encourage the retirement of teachers who did not wish to receive technology training nor incorporate technology into instruction. He said proponents of the program claim it saves the state money by encouraging more highly-paid, veteran teachers to retire and be replaced by younger, lower paid teachers. He related that Idaho's actual experience has shown the number of teachers retiring early has remained essentially unchanged during the most recent two years, in which the program was repealed, as compared to the previous five years. He concluded **S 1089** ensures that scarce education dollars will remain in the classroom, as they have been in FY12 and FY13.

Robin Nettinga, IEA, said ERIP has served as a tool to assist qualifying teachers to retire prior to reaching the Rule of 90. She stated, some claim the savings to the state are nonexistent or minimal. She said the opposite was true; it has been an important program for female teachers who leave the work force to raise children and then return, not able to attain full retirement. Ms. Nettinga indicated the tough, financial years prompt districts to reduce the staffing costs by hiring less experienced, and less expensive beginning teachers. She argued without ERIP, nothing will exist to help teachers be compensated for being unable to reach the Rule of 90; or, to push back against the management tool of cost reduction by hiring only the inexperienced.

Ms. Nettinga distributed documents containing research to show the cost savings to the state, and to show the average age of teacher retirement. (See attached.) She concluded that the calculations demonstrate a savings to the state of an excess of \$100 million since ERIP's inception in 1996. Continual repeal of ERIP will represent a penalty to those teachers whose careers do not span to the Rule of 90. In response to a question regarding other public employees early retirement plans, Ms. Nettinga said ERIP is only for teachers.

Jason Hancock, Deputy Chief of Staff, ISDE, distributed handouts of an Experience and Education Index, and the PERSI early retirement data. (See attached.) He told the committee the premise is that teachers would not have retired early if they had not had the incentives. He compared his data to that gathered by the IEA. He said the IEA data does not stand up in the analysis. He indicated there should have been a drop in those teachers retiring if the incentives were the reason teachers retire early. In the past two years, during the repeal of ERIP, the number of teachers retiring has averaged the same as in years previous. He stated bonuses paid to retiring teachers in the previous years had averaged \$18,000. He added the data on early retirement for administrators, which has been repealed for nine years, supported the same conclusion.

To questions regarding additional factors which may have influenced the outcome of the data, **Mr. Hancock** said the tight budget, fewer students and no new hirings should have caused the index to go up; it actually went down. Responding to questions regarding a rise in health insurance costs and a decline in salary which may have prompted retirement, Mr. Hancock said ERIP has not been a benefit to the state. He noted the budget is tight, base salaries are down nine percent, the classroom has been hit hard and ERIP requires \$3.6 million for funding. To a question regarding the unquantifiable benefits, he said there were none.

Committee members questioned the reliability of the ISDE study stating non-hirings, over-worked professionals, punitive attitudes and no nationwide comparative data were factored into the outcome.

Sen. Bayer was called upon to close debate on **S 1089**. He indicate ERIP was a line item with zero funding from JFAC. He concluded that ERIP was a considerable cost to the state at the expense of students and classroom necessities.

MOTION: **Rep. Nielsen** made a motion to send **S 1089** to the floor with a **DO PASS** recommendation.

ROLL CALL VOTE: **Rep. Pence** requested a roll call vote. **Motion carried by a vote of 13 AYE, and 3 NAY. Voting in favor** of the motion: **Reps. Nielsen, Shepherd, Wills, Bateman, Boyle, Agidius, Clow, Gestrin, Harris, Horman, Mendive, VanOrden and DeMordaunt. Voting in opposition** to the motion: **Reps. Pence, Kloc and Ward-Engelking. Rep. Boyle** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 10:45 a.m.

Representative DeMordaunt
Chair

Jean Vance
Secretary