

MINUTES  
**SENATE EDUCATION COMMITTEE**

**DATE:** Monday, March 11, 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 Education Committee (Committee) to order at 3:10 p.m., and a silent roll was taken.

**MOTION:** **Vice Chairman Mortimer** made a motion to approve the Minutes dated February 25, 2013. **Senator Thayn** seconded the motion. The motion carried by **voice vote**.

**MOTION:** **Senator Fulcher** made a motion to approve the Minutes dated February 26, 2013. **Vice Chairman Mortimer** seconded the motion. The motion carried by **voice vote**.

**MOTION:** **Senator Thayn** made a motion to approve the Minutes dated February 27, 2013. **Vice Chairman Mortimer** seconded the motion. The motion carried by **voice vote**.

**MOTION:** **Senator Nonini** made a motion to approve the Minutes dated February 28, 2013. **Vice Chairman Mortimer** seconded the motion. The motion carried by **voice vote**.

**H 206** **Chairman Goedde** announced that the Committee would not vote on **H 206** until **H 221**, a companion bill, had been discussed again with stakeholders and then fully debated by the Committee. **Chairman Goedde** turned the Committee's attention to **H 206** for a continued question and answer period.

**Vice Chairman Mortimer** said that he had been receiving considerable emails indicating public perception that the charter schools are treated differently than public schools. He asked **Jason Hancock**, State Department of Education (SDE) if he had any numbers on a per pupil basis. **Mr. Hancock** replied that the "rainbow report" from Tim Hill (SDE) shows different levels of per pupil funding. Charter schools and public schools are funded under same formula, but that formula can vary from school to school and district to district. The Average Daily Attendance (ADA) in each school's categories – elementary, middle, and secondary schools – combined with each school's teacher compensation grid based on years of service and education credits, created a unique multiplier for each school.

**Senator Thayn** asked Mr. Hancock to explain the different programs through which facilities are funded. **Mr. Hancock** replied that three programs exist which use state funds to pay for facilities: (1) The largest is the bond levy equalization program from which \$17 million per year go to districts to upgrade or build; every bond that has passed since September 2002 have been eligible for subsidy, unless a district has been so high on the index as to not need subsidy; most districts receive some level of support. Per capita income, property values, etc., create a value index; which, in turn determines a district's amount. (2) A second program exists for districts who have been unable to pass levies due to unsafe facilities. This program has been used once the past; the Salmon school district has recently applied for this program. (3) Finally, the state facilities matching program uses a replacement value formula that calculates by square footage. Under this formula 2% of replacement value is set aside for building maintenance; in an average district, 1.5 percent comes from the school district, and .5 percent from state, but that, too, is variable. Charter schools cannot calculate the same index, so they receive funding as a statewide average; poorer districts might get more than other wealthier districts; some additional general fund matches do not go to charter schools; districts with low value index receive it.

**Senator Durst** asked how often the bond levy equalization fund been used been used. **Mr. Hancock** replied that the current appropriation of \$17.4 million has grown over time. The program started 10 years ago. Bonds can run for twenty years; the last two to three years have been fairly flat because construction stopped and people stopped moving to Idaho, so there was not much growth. Regarding the maintenance match, **Senator Nonini** asked if the charter schools participate. **Mr. Hancock** replied that yes, charter schools do participate at state wide average; therefore, lottery dollars do fund facilities. S 1143 in 2006 required a maintenance requirement in the match program. Lottery money that districts receive is usually used to buy down the state match requirement; in most districts, money they receive is sufficient for match; but poorer districts do not receive enough lottery money, and so they use the general fund. Charter schools do not participate in the same funding.

**TESTIMONY:**

**Nancy Viano**, a citizen of Idaho since 1975, expressed concern about the direction of education in Idaho. She believes that [traditional] public education is the number one priority in the state, and that charter schools need to accept responsibility for the additional cost of facilities. She further stated that she fears that Idaho is "broadening [education's] needs so that we are doing a lot of things poorly instead of focusing our financial resources on doing a few things exceptionally." She feels that Idaho needs to revisit it's "primary responsibility" and evaluate if that obligation has been met. Ms. Viano's complete comments are attached and incorporated by reference.

**Steve Berch**, a citizen from West Boise, said that in his view, the arguments put forth by proponents of **H 206** are dubious and stand in contradiction with fundamental conservative principles. Since charter schools serve only five percent of the population, and that five percent has voluntarily chosen not to attend traditional public schools, which receive funding for facilities, the remaining 95 percent of traditional schools should not be required to pay for charter school facilities. **Mr. Berch** stressed individual responsibility for choices, and urged that the Committee hold this bill until the state has "adequately taken care of the 95% of Idaho students that attend traditional public schools." Mr. Berch's complete testimony is attached and incorporated by reference. Answering questions from the Committee, **Ken Burgess**, representing Idaho Charter School Network (ICSN) clarified that 19 of 41 charter schools are receiving financing and paying on loans, and that a 2010 study showed that charter schools receive 23 percent less money than public schools.

## H 221

**Mr. Burgess** introduced **H 221**, stating that **H 221** represents a compromise piece of legislation that is the result of much work to update Idaho's public charter school laws. This legislation includes the governance and oversight components of the recommendations made by a group of stakeholders that included: The Idaho School Boards Association, The Idaho Charter School Network, The Public Charter School Commission, The Idaho Association of School Administrators, Coalition of Idaho Charter School Families, and the State Department of Education (SDE). This stakeholder group met to examine Idaho's charter school laws from June 2012 through February 2013. The group examined other state charter school law and the best practices that exist now from across the country. This bill makes great strides in better aligning Idaho's Public Charter School Law with the "National Model Law" as proposed by the National Alliance for Public Charter Schools. These meetings began a much needed dialogue between traditional school districts and public charter schools that we hope to continue. This legislation is considered the companion piece to the charter facilities funding legislation that was presented in **H 206**.

The major recommendations from the stakeholder group contained in this legislation are laid out in the Statement of Purpose as follows: (1) Puts into place periodic renewals of all public charter schools, five year for existing schools and three years for newly opened schools. (2) Creates performance contracts for charter schools that bind both the charter school and its authorizer. (3) Eliminates notices of defect. Reform the qualifications and appointing authorities for members of the Public Charter School Commission, to better align Idaho law with best practices. (4) Reforms the qualifications and appointing authorities for members of the Public Charter School Commission, to better align Idaho law with best practices. (5) Allows for additional authorizers to include colleges and universities and certain approved 501(c)(3) organizations (in addition to school districts and the Public Charter School Commission). (6) Establishes standards and oversight for 501(c)(3) organizations that wish to become charter school authorizers. (7) Allows for direct approval of public charter schools by colleges and universities and approved 501(c)(3) organizations, while maintaining the current school district notification and feedback procedures. (8) Creates a process that allows school-district authorized charter schools to become their own local education agencies. (9) Allows the SDE to reduce the front-loading of charter school funding if notified by the school's authorizer that the school is fiscally unsound. (10) Provides for procedures upon dissolution of a charter school. Mr. Burgess and the Committee then reviewed the 27-page bill line by line to review and clarify language.

## TESTIMONEY:

**Tamara Baysinger**, Director, Public Charter School Commission (PSCS) testified in support of **H 221**, and directed her comments from an authorizer's perspective. She said that the role of authorizer is to (1) maintain high standards, (2) uphold school autonomy, and (3) protect student and taxpayer interests. The provisions included in **HB 221** would have a dramatic and positive influence on the PSCS's ability to fulfill all three elements of its role. Authorizing tools described in the bill will permit a fundamental shift in focus from the means to the ends, replacing a tendency toward micro-management with a genuine evaluation of improved student learning. Passage of this bill would either align, or open the door to aligning, Idaho's charter school authorizers with the 12 Essential Authorizing Practices identified by the National Association of Charter School Authorizers in 2011. **H 221** would also dramatically increase Idaho's ranking in the National Alliance for Public Charter Schools' charter law rankings database, creating a more attractive environment for potential grantors and charter management organizations whose proven educational models could become available to students in our state.

**Jessica Harrison**, Policy and Governmental Affairs Director, Idaho School Boards Association (ISBA) restated the process by which the stakeholders drafted the ISBA's resolution on charter schools. She said that **H 221** incorporates several components from that resolution including periodic renewals and performance contracts. The ISBA strongly supports **H 221**.

**Bert Marley**, Director of Public Policy, Idaho Education Association, (IEA) spoke in opposition to H 221. The IEA feels that this legislation would dramatically change the direction of education in Idaho by expanding the number of charter school authorizers in the state to include public colleges, and nonprofit colleges and 501C(3) organization. The IEA believes that the increase in number of schools will negatively impact scarce state funds for those public schools already in the system.

**Chairman Goedde** postponed further discussion of H 221 until Tuesday, March 12, 2013.

Having no further business before the committee, **Chairman Goedde** adjourned the meeting a 4:54 p.m.

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Senator Goedde  
Chairman

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Elaine Leedy  
Secretary