

MINUTES
SENATE EDUCATION COMMITTEE

DATE: Wednesday, March 13, 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 3:08 p.m., and a silent roll was taken.

Chairman Goedde called for **H 225** pertaining to education support credits, and noted that the presenter, Jason Hancock, State Department of Education, was not present.

Chairman Goedde next welcomed the audience who had come to listen and to testify concerning **S 1147** and **S 1148**, and laid ground rules for courtesy.

Karen Echeverria, Executive Director, Idaho School Boards Association (ISBA) first offered a general statement concerning the bills brought by the ISBA. She stated that the membership had voted three to one in November 2012 to bring these pieces of legislation forward for consideration. Those districts voting in favor included large and small school districts from every region and corner of Idaho. Unintended consequences surfaced when voters repealed the propositions. Those unintended consequences included the loss of over \$30 million that stakeholders hope will be re-appropriated to school districts, as well as other issues such as open negotiations which have already passed the Committee. The ISBA also believes that other unintended consequences involved rejection of provisions that provide basic tools which ISBA members need to better manage their districts and allow for long term prudent fiscal management. Rather than bringing these requests back in one large piece of legislation, the ISBA has introduced them in several pieces so that they can be adequately debated by the House and Senate. **Ms. Echeverria** reviewed the negotiations process which had occurred from December 2012 to present, and pointed out that school board members are elected public officials with statutory responsibility for the management of their districts, including staff, calendar and finances. **Ms. Echeverria** summarized by saying that the legislation brought by the ISBA provides improvements that ISBA members believe are necessary to fulfill their obligations in the most flexible manner possible for both large and small districts throughout the state.

Ms. Echeverria explained that the main point of this legislation is to prevent what was commonly referred to as the "evergreen clause" from being written into Master Agreements. This legislation would limit the length of any negotiated master agreement and would require that salaries and benefits in a master agreement be in effect for one year beginning on July 1 and ending on June 30. All other matters may have a length of two years. **Ms. Echeverria** emphatically stated that this legislation is 'not' talking about teacher's annual contracts. "Teacher contracts and the master agreement are not the same things." Teacher contracts are the individual one page contracts that teachers sign each year that commits the school district and the individual teacher to employment for the next year. The master agreement is the agreement which is negotiated between the local union and the local board and includes all items that were negotiated. In order for school boards to be able to set an annual budget in a timely manner and in order to set a budget based on the dollars that will be available for the upcoming fiscal year, ISBA's members believe strongly that master agreements cannot be open ended and must have a term length. In addition, the members of ISBA do not believe that today's boards should be bound by terms that were negotiated years, sometimes even decades, ago.

Ms. Echeverria reviewed subsection 33-1275(1) which states that the agreements are effective for one year from July 1 to June 30. Subsection (2) establishes the parameters for those items that can be negotiated for a two-year term and require that at the end of that two-year term, those items must be renegotiated rather than just added back into the agreement. Due to late printing, **Ms. Echeverria** informed Chairman Goedde that in its present iteration, the bill still contains one sentence which requires modification, and offered copies of a proposed amendment which defines compensation as "salaries and benefits." **Ms. Echeverria** pointed out some of the the provisions which had been negotiated with the Idaho Education Association (IEA), including a two-year term for all issues not related to salaries and benefits and a one-year sunset clause. The ISBA hopes that sound data can be collected over the next year to see what impact, if any, one year agreements have on collective bargaining. Finally, the ISBA has made this bill retroactive to November 21, 2012 to ensure that any master agreement that was reached during the last year remains in effect until a new agreement is reached between the parties. This bill is being presented in conjunction with the Idaho Association of School Administrators.

Senator Durst raised questions concerning the three to one vote in favor of introducing this legislation, and the use of "shall" instead of "may" in setting the term of one year contracts. **Ms. Echeverria** affirmed the process by which ISBA members voted with equal representation between small and large districts. **Ms. Echeverria** confirmed the intent of "shall," and also confirmed that the two-year term for non-financial provisions came at the request of the IEA.

TESTIMONY:

Pete Peterson, a citizen, expressed disapproval in that **S 1147** appeared to reintroduce provisions of Students Come First that was rejected in Proposition 1 in November 2012. He also objected to the addition of a sunset clause.

Luke Frenklin, President of the Meridian Education Association, testified in opposition to **S 1147**. His primary concern centered on the requirement that master agreements be renegotiated every two years. He stated that many items in the master agreement have been followed and are working well, and he sees no need that they be renegotiated every two years. He is concerned about "getting bogged down and that something more important would be missed." **Senator Thayne** and **Chairman Goedde** clarified with Mr. Franklin that either party could request negotiation on a contract's provision, and if a provision were not questioned, then it remained in place. Currently, if two parties could not agree to change a provision, then the existing provision would remain in effect.

Rob Winslow, Executive Director, Idaho Association of School Administrators (IASA), thanked the Committee for involving the IASA in the process. The IASA supports of **S 1147**.

Jamie Hoelsing, a teacher in Nampa, testified in opposition to **S 1147**. The Nampa teachers are concerned that, whereas contract negotiations customarily begin in January, those negotiations still have not begun. Nampa Education Association represents the teachers, and has requested that non-financial issues be negotiated while awaiting results of the bond levy (just passed). If **S 1147** passes, **Ms. Hoelsing** believes it will put an undue burden on the negotiating committee to renegotiate every aspect of the master agreement at a time when teachers are extremely busy administering ISATs and final exams, and preparing for both graduation and summer school. Ms. Hoelsing's written remarks are attached and incorporated by reference. **Senator Durst** asked Ms. Hoelsing about the current level of morale. **Ms. Hoelsing** replied that she had never seen morale so low; and fears that the children will sense that teachers do not feel safe, supported and secure because of uncertainty with their contracts.

Travis Manning, an Idaho teacher, raised concern about transparency of a survey cited by Governor Otter in December 2012, which allegedly affirmed support of new legislation such as **S 1147**. His complete statement is attached and incorporated by reference.

Paul Stark, General Counsel, IEA, cited substantive and procedural objections to **S 1147**. Since nothing in the currently law requires any school board to make on-going agreements, and nothing in the current law forbids a school district, if they choose, to negotiate every item, every year; then the local boards ought to have the choice at their discretion, to make agreements and negotiate contracts. There is nothing in **S 1147** that could not be implemented on the local level. Procedurally, allowing contracts under **S 1147** to be retroactive to November 21, 2012, would negate lawful contracts negotiated after November 21 if not in accordance with **S 1147**. **Mr. Stark** cited the contract clause of the Idaho Constitution, Article I, Section 16 which provides that "no...law impairing the obligation of contracts shall ever be passed." **Chairman Goedde** asked if a board voted to allow ongoing agreements, and ten years later a board did not want them, how could they be removed. **Mr. Stark** replied that prior to negotiations, the parties have a preliminary meeting to discuss what to negotiate. The point is to allow local districts to have control. When asked by **Senator Nonini** if other areas of the master agreement could be put in policy instead of the master contract, **Mr. Stark** said that policy is not a collaborative process.

Brian Duncan, a trustee from the Minidoka County Joint School District, testified in support of **S 1147**, noting that school boards set budgets one year at a time; **S 1147** sets contracts one year at a time. This bill allows flexibility to set a budget that would coincide with the fiscal year and allow local districts the flexibility they need. **Senator Durst** asked about the morale of teachers in his district. **Mr. Duncan** replied that morale is low, but it cannot be attributable to **S 1147**. **Senator Nonini** said that with Students Come First, districts had a "reset button," and asked Mr. Duncan if the Minidoka Joint School District had "reset." **Mr. Duncan** replied affirmatively, and said that the district had set up open negotiations and listening lessons.

Connie Buckley, a teacher of 20 years, testified in opposition to **S 1147**, stating that the message of this bill does not value the teaching profession. "Students Come First" implied that teachers come last. **Ms. Buckley** said there is no first or last, just the hope to finish with respect.

MOTION:

In light of seeking additional information from the districts, **Senator Nonini** made a motion to hold **S 1147** in committee. **Senator Pearce** seconded the motion. In discussion, **Senator Durst** noted that the ISBA had suggested sending **S 1147** to the 14th Order, and asked why that would not be the preferred outcome. **Senator Nonini** replied that the amendments are just technical; he wanted a better understanding of what the districts want and have done. **Senator Durst** stated that he wished to go on record that "it is disingenuous to say" that ISBA members voted three to one to return these proposals to legislation; that figure did not represent 75 percent of the population. The motion carried by **voice vote**.

S 1148

Karen Echeverria, ISBA, explained that the main point of this legislation provides locally elected school board members the ability to increase or decrease salaries or to shorten or lengthen the term of teacher's contracts. Additionally, if a reduction in salary is applied or contracts are shortened, it must be uniformly applied to all employees. As publicly elected officials of school districts that operate under the statutes of the state of Idaho, school board members are required, by law, to set the budget and manage the finances of their local school districts. When salaries and benefits make up 80-90 percent of those budgets, the inability to reduce those salaries simply makes no sense. The law, in its current form, requires that school board members manage the finances; however, another law restricts them from managing 80-90 percent of the budget. These laws are in direct conflict with one another. Other amendments in this legislation allow school districts to issue letters of intent for employment to renewable-contract teachers and clarifies that all contracts must be issued by July 1 of each year. In addition, should the board make a determination that salaries need to be reduced or contracts shortened, they must allow for a single, informal review for all affected employees.

Ms. Echeverria reviewed **S 1148** in detail. She explained that the first amendments change the contract date from May 25 to July 1 to align with the beginning of the fiscal year and to coincide with the end of negotiations. The second amendments clarify language related to teachers in their third year of employment. The primary amendment to this legislation removes language which restricted local school board members by stating that any contract must be for the same length and at a salary no lower than the previous year including movement on the salary grid. Instead, that language has been replaced to state that the board may make contracts shorter or longer and may reduce or increase salaries but must do so in a uniform manner. Subsection (a) clarifies that contracts must be issued by July 1. Subsection (b) indicates that school districts can issue letters of intent for the ensuing school year if they so wish, but those letters of intent cannot state a duration, salary or benefits. Further amendments remove language concerning the renewal of a contract or reducing salaries in relationship to due process hearings. The final amendment of the bill defines parameters for a single informal review for those affected employees. The remaining sections of this bill contain language added by the Legislative Services Office: During negotiations, the IEA requested that the language clarified that any reduction in salary could not be applied to individual teachers. In addition, the ISBA agreed to add a one-year sunset clause to this legislation in order allow time to collect sound data over the next year to determine the impact, if any, these provisions have on the school district and their financial stability. This bill is being presented in conjunction with the Idaho Association of School Administrators (IASA).

Senator Thayne asked Ms. Echeverria if she was aware of any districts which are contemplating reduction in salaries. **Ms. Echeverria** deferred to Karen Pyron.

TESTIMONY:

Karen Pyron, Superintendent, Mackay Joint School District #182 (Mackay) stated that passage of **S 1148** was "absolutely critical" to the district's ability to survive. "Mackay schools have two years." The district was able to pass a \$150,000 supplemental levy but only with the promise to cut expenses by \$150,000. Passage of **S 1148** is critical to that obligation. Teachers, who are also IEA members, have volunteered at 5 percent salary reduction to keep their schools and community alive. **S 1148** would give authority to accept their offer. Ms. Pyron's complete remarks are attached and incorporated by reference.

Senator Durst asked if Mackay had considered consolidation with another district. **Ms. Pyron** replied that consolidation was not geographically practical: the closest district is approximately 75 miles away.

Molly O'Shea, an educator for 35 years, now in the Boise school district testified against **S 1148** and emphasized the socioeconomic makeup of Idaho's children. She said a 2009 report stated that 20 percent of Boise children live below the poverty level; 19.9 percent for Idaho overall. What this means is that these children come to school with "their basket half empty." She wanted the committee to know that today's Idaho teachers are teaching children in poverty, and asked that teacher salaries not be used as a bargaining tool, so that all children have equal access to curriculum.

Laurie Keister, a citizen, stated that education is not adequately funded, and that society values sports more than education. She believes that the problem is not contracts, but trust, collaboration and communication. She favors education reform.

Julia Whithers, a teacher at Vallivue Middle School, expressed similar views, stating that the climate of contract uncertainty would hinder trust, collaboration and communication, and instead, create a climate of competition among teachers.

Andrew Rath, whose statement was read by Christine Simon, testified in opposition to **S 1148**, stating that highly qualified teachers were most important in the classroom. He believes the **S 1148** gives permission for districts to balance their budgets by cutting teacher salaries. Lack of financial security may cause teachers to leave the state.

Jason Vleck, a 2nd grade teacher in Payette, agreed, and stated that he has considered leaving the state.

Luke Frenklin, President of the Meridian Education Association, testified against **S 1148**, and stated that bill "takes the control aspect too far and undermines the negotiation process." He feels it will divide school boards across the state.

John Sharkey, a Parma school teacher, and 2006 Teacher of the Year, expressed similar views, and said that giving the school boards the power to increase days or reduce salaries without talking to teachers, "puts us backwards." Mr. Sharkey's written testimony is attached and incorporated by reference.

Pat St. Tourangean, representing the Boise Education Association, agreed that negotiated contracts are necessary.

Lisa Doerig, expressed fear that, as a 20-year teacher, her job might be "on the chopping block."

Rob Winslow, Executive Director, IASA, testified in favor of **S 1148**. **Senators Pearce, Thayn and Durst** questioned the July 1 date and whether it could be changed to be more "teacher friendly." **Mr. Winslow** deferred to **Ms. Echeverria**, who stated that the letter of intent is a binding legal document to hire, and states that once negotiations are complete, contracts will be issued no later than July 1. The former contract date of May 25 did not allow adequate time to complete negotiations. Teachers have the option to not sign the contract, and are free to apply for other positions while awaiting the contract details.

Penny Cyr, President of the IEA, testified that the IEA appreciated that a sunset clause had been added, but that due to the magnitude and implications of **S 1148**, the IEA opposes the bill.

Paul Stark, General Counsel, IEA testified in opposition to **S 1148**, stating that the bill grants unlimited power and eliminates negotiations. It requires no "triggers" such as a financial emergency. He believes an alternate bill, S 1146 offers a better solution. His comments are attached and incorporated by reference. Chairman Goedde asked if **S 1148** and S 1146 were options that could accomplish a similar goal. **Mr. Stark** replied affirmatively.

Brian Duncan, Minidoka County Joint School District, empathized with Mr. Sharkey, and stated that **S 1148** allows negotiations. He also stated that his district might not meet the definition of "financial emergency" outlined in S 1146 , and needs the ability to manage the district based on the funding at hand. The school board is statutorily elected to manage the affairs of the district.

MOTION: Expressing the need for more clarity concerning **S 1148** and S 1146, **Senator Fulcher** made a motion that **S 1148** be held in committee at the discretion of the chair. **Senator Pearce** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: Having no further business before the Committee, **Chairman Goedde** adjourned the meeting at 5:46 p.m.

Senator Goedde
Chairman

Elaine Leedy
Secretary