

MINUTES
SENATE EDUCATION COMMITTEE

DATE: Wednesday, February 05, 2014

TIME: 3:00 P.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman Goedde, Vice Chairman Mortimer, Senators Pearce, Fulcher, Nonini, Thayn, Patrick, Buckner-Webb and Ward-Engelking

**ABSENT/
EXCUSED:** None

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** convened the Senate Education Committee (Committee) at 3:05 p.m., and a silent roll was taken.

PRESENTATION: **Dr. Vera McCrink**, Interim Administrator, Idaho Professional-Technical Education (PTE) introduced her associates, Heather Luchte, Director of Planning, Kristi Enger, Secondary Coordinator; and Michael Page, Information Technology Coordinator. **Dr. McCrink** outlined PTE's responsibilities and the programs that were in place to meet those responsibilities. The Georgetown Center on Education in the Workforce has stated that 60 percent of Idaho jobs will require some form of postsecondary education or training. It is PTE's responsibility to align programs with the current and future job opportunities. Various delivery systems and PTE programs in Idaho are available to meet this need. In 2013, 1,859 students graduated from technical colleges with PTE degrees and certificates.

The PTE Division has developed a program of Study Framework to give a visual representation of common student learning outcomes that span from high school through postsecondary. The Division is working on enhancing student access to PTE through distributed hybrid programs. A good example is the Physical Therapy Assistant program which was started this spring as a statewide program delivered by a consortium of schools. In response to the State Board of Education (Board) 60 percent completion goal, the Division developed the Integrated Transition & Retention (ITRP) program. The Division also is responsible for administering adult basic education, the certified public manager program and workforce training. In addition to the PTE programs and related programs, they are responsible for GED transcripts, career counseling, health matters for state employee wellness and the Centers for New Directions.

Senator Patrick asked if PTE needs more money. **Dr. McCrink** replied that they can always use more money. Postsecondary budgets were hit hard in the last few years. She indicated that PTE can always be more efficient by running multiple sessions and more labs. However, they look to the future and work with the Department of Labor to anticipate what jobs will be available and implement training programs. **Senator Patrick** stated that he is a believer in PTE training. He asked if Dr. McCrink knew how the money was divided to fund those different areas of education. **Dr. McCrink** indicated that PTE is not involved in the budgets. She said that, with the down turn and budget cuts, the postsecondary programs have been cut. **Senator Patrick** said he would like to see more money go to these areas.

Senator Goedde asked how new PTE programs are authorized and approved. **Dr. McCrink** said they have a five year plan for developing new programs. The six PTE schools work together and support one another. Early discussion is held so that when the actual proposal is submitted the turnaround time is fairly rapid. Dr. McCrink can sign off if the dollar amount is \$250,000 and under. A sum over that amount needs approval by the full State Board. **Chairman Goedde** said that North Idaho College had a difficult time getting the Aerospace program off the ground and was characterized as a difficult process. **Dr. McCrink** said that funding for postsecondary schools goes to the institutions as a lump sum and can be distributed as they desire, unless it is a line item. Usually lump sums are determined using historical data and need to be predictable from year to year.

PRESENTATION: **Dr. Steve Albiston**, president of the Eastern Idaho Technical College (EITC), reviewed the mission of EITC to provide superior educational services in a positive learning environment that champions student success and regional workforce needs. EITC's geographical reach includes the nine adjacent counties and Bingham county. It is a commuter campus. He described the outreach and instruction programs, enrollment and breakdown of graduates for FY 2013. There were over 16,000 students served during FY 2013. He gave a more detailed discussion on the enrollment breakdown during that same time period. **Dr. Albiston** pointed out that, while there is currently much discussion about remediation, EITC does not have many students who require it. EITC has a high placement rate of graduates. Approximately four out of five graduates report working in a job directly related to the training they received at EITC. Dr. Albiston also discussed the breakdown of Financial Aid to EITC students. Scholarships for FY 2013 were funded by the EITC Foundation and the J.A. & Kathryn Albertson Foundation. **Dr. Albiston** discussed several of the collaborative programs they share with other institutions, their Adult Learning Center program focus, off-campus programs, enrollment and their Adult Basic Education (ABE) goal program.

Senator Goedde asked whether there was any movement from the taxpayers in the area to support a community college. **Dr. Albiston** responded that there had not been any bond elections since the mid 1990s. **Vice Chairman Mortimer** said that there is a lot of competition in the Idaho Falls area for educational institutions. It is hard to get support for a common goal such as a community college. He expressed that support is not coming fast, but it is coming. **Chairman Goedde** asked if EITC has access to any liquor funds. **Dr. Albiston** replied that they do not.

H 361

Marilyn Whitney, Chief Communications and Legislative Officer, State Board of Education stated that Section 33-2406, Idaho Code specifies that a proprietary school must obtain a surety bond in order to register to do business in the State. Changes were approved by the Legislature last year to allow proprietary schools to use alternate financial instruments, as approved by the Board's Executive Director, in order to satisfy this requirement. Alternate instruments could include an escrow account, collateral, a letter of credit or a combination of these instruments. All have to meet the same requirements for the amount of surety which is detailed in Administrative Rule 08-01-11. After the bill was passed, the Department of Finance asked for a change in the order of the wording to clarify that the alternate instrument does not need to be issued by an insurer. In **H 361** language has been struck and moved. In addition, this legislation would remove the surety bond requirement for proprietary schools that meet the same accreditation standards required of a degree-granting institution. If a proprietary school is accredited by a body recognized by the US Department of Education and the Board, then they have met stringent requirements for program quality and fiscal responsibility. Those requirements include regular financial reports prepared according to Generally Accepted Accounting Principals (GAPP). Those reports look at income, operating

expenses, etc. Accreditation provides a reliable, third party assurance that a school or institution meets or exceeds high standards.

Chairman Goedde asked if Ms. Whitney was aware of any proprietary schools who had been accredited and walked away. She replied that she was not. **Senator Nonini** asked who brought forth the new language. **Ms. Whitney** said it was the Board and various schools who were currently accredited.

TESTIMONY: **Tony Smith**, Northwest Career Colleges Federation testified that he is very supportive of this legislation. He thanked the Board for responding to the needs of educators to keep costs down.

MOTION: **Vice Chairman Mortimer** made a motion to send **H 361** to the floor with a **do pass** recommendation. **Senator Thayn** seconded the motion. The motion passed by **voice vote**. Vice Chairman Mortimer will carry the bill on the floor of the Senate.

H 362 **Marilyn Whitney** stated that **H 362** revises Section 33-2139, Idaho Code with respect to what entity authorizes the disbursement of liquor funds to the community colleges. It gives that authority to the Board. This reverses legislation passed in 2012 that moved authorization from the Board to the State Liquor Division. After that change was made in 2012, the Controller's office pointed out that the liquor funds for community colleges are rightly appropriated to the Board as an education agency, and that payment should be authorized by the Board. The amount of liquor funds distributed to the community colleges is based on a formula. There is no discretion on the part of the Board.

Senator Pearce asked how the Liquor Commission felt about the change. **Ms. Whitney** replied that they had no objection. **Vice Chairman Mortimer** asked whether the flow of money goes to the Board through JFAC. **Ms. Whitney** responded that the flow is formula driven and is spelled out in code.

MOTION: **Senator Nonini** made a motion to send **H 362** to the floor with a **do pass** recommendation. **Senator Thayn** seconded the motion. The motion passed by **voice vote**. Senator Nonini will carry the bill on the floor of the Senate.

H 385 **Marilyn Whitney** stated that **H 385** seeks to amend Section 33-090, Idaho Code dealing with the cooperative school facilities funding program. This law allows school districts to petition a panel of state agency directors to intervene and address an imminent safety hazard in a school after local patrons have failed to pass a bond. This mechanism has been used only twice - once in the Plummer Worley district and currently in the Salmon School District. As a reminder, the state panel is the executive director of the Board, the Administrator of the Division of Building Safety, and the director of the Department of Public Works. In this statute, if that panel determines there is an imminent safety hazard, the taxpayers in that school district have the opportunity to vote to pass a bond to either repair, renovate or replace a building found to be unsafe. If the taxpayers do not pass the bond, the state panel assumes authority of the project and uses the repair fund set up by the State. Once the project is completed the taxpayers must repay the state fund. The primary change in this bill would allow the panel to modify the scope of a project, or even terminate a project that has already begun if an alternative plan is proposed that may save the taxpayers money, or be in the best interest of the district/students while still addressing the safety hazard. This change is being sought based on the current situation in Salmon. Two buildings - the elementary and middle schools - were found to have unsafe roofs after engineering studies were conducted. The local taxpayers did not pass a bond to fix the buildings, and the state panel moved forward to repair the buildings. Since the project commenced, the district has come forward with an alternative plan to move the middle school students into the repaired elementary school and the high school. This would allow them to close the middle school and would save the cost of repairing that roof. The panel would like the statutory authority to consider this alternative. Notice there is an emergency

clause in the bill as well. There are two additional minor changes in the bill. On Page 3, lines 8-11 to specify that the State Fire Marshal has authority during a project since these are state projects, and, on Page 3, lines 36-37, to specify that the district's cost will be based on the actual funds expended for the project.

Chairman Goedde said that he had received and passed on to the Committee email from people in Salmon expressing support for this legislation to be adopted. He alerted the Governor's office about the situation and the support it was receiving. **Senator Thayne** asked who the district supervisor was and how he was appointed. **Ms. Whitney** responded that the panel appoints a supervisor when they decide to move forward with a project. The supervisor for this project is David Teator. Any modification made to the project must meet the same standards as the panel looked at when an application is requested. The alternative plan must address safety hazards, be cost effective and last for 20 years.

Senator Nonini asked what the balance of the remaining fund was and what the projected cost on the Salmon project was. **Ms. Whitney** replied that it was \$16 million. Salmon's projected cost was \$3.6 million with \$342,500 used to this point. The amount remaining is about \$16 million. No other schools have made application for funds. **Chairman Goedde** asked if there were more repairs planned other than the two roofs and what the estimated cost upon completion would be. **Ms. Whitney** said the alternate plan would save about \$1 million. **Senator Pearce** asked if more repairs were being made other than roofs. **Ms. Whitney** said there is a history in Salmon of not passing bonds for school improvements. The middle school needs to be replaced, but the statute only allows the panel to address eminent safety hazards. Replacing the roofs reduces the threat of danger that snow build up poses. The middle school may have other issues, but they are not safety hazards. **Chairman Goedde** asked if seismic studies had been done. **Ms. Whitney** replied that they had. **Senator Patrick** asked if the \$16 million infunds would be replaced. **Ms. Whitney** responded that they would be. Plummer Worley will be making regular payments, as will Salmon, once their project is done. Repayment periods can not exceed 20 years.

MOTION: **Senator Thayne** moved that **H 385** be sent to the floor. **Senator Nonini** seconded the motion. The motion carried by **voice vote**. Senator Thayne will carry the bill on the floor.

PASSED THE GAVEL: Chairman Goedde passed the gavel to Vice Chairman Mortimer to present **RS 22704C1**.

MOTION: **Senator Pearce** moved to send RS22704C1 to print. **Senator Fulcher** seconded the Motion. Motion carried by **voice vote**.

PASSED THE GAVEL: Vice Chairman Mortimer returned the gavel to Chairman Goedde.

ADJOURNED: There being no further business to come before the Committee, **Chairman Goedde** adjourned the meeting at 4:20 p.m.

Senator Goedde
Chair

Elaine Leedy
Secretary

Sharon Pennington
Asst. Secretary