

MINUTES
HOUSE EDUCATION COMMITTEE

DATE: Wednesday, March 12, 2014

TIME: 8:30 A.M.

PLACE: Room EW41

MEMBERS: Chairman DeMordaunt, Vice Chairman Nielsen, Representative(s) Shepherd, Wills, Bateman, Boyle, Clow, Gestrin, Harris, Horman, Mendive, VanOrden, McDonald, Pence, Kloc, Rubel

**ABSENT/
EXCUSED:** None

GUESTS: The sign-in sheet will be retained with the minutes in the committee secretary's office until the end of the session. Following the end of the session, the sign-in sheet will be filed with the minutes in the Legislative Services Library.

Chairman DeMordaunt called the meeting to order at 8:30 a.m.

MOTION: **Rep. Mendive** made a motion to approve the minutes of the March 7, 2014 meeting. **Motion carried by voice vote.**

MOTION: **Rep. Mendive** made a motion to approve the minutes of the March 10, 2014 meeting. **Motion carried by voice vote.**

S 1342: **Sen. Lakey** said **S 1342** provides a change in **S 1150** from last year. It provides a process for augmentation of the record on appeal which is very similar to that found in the Idaho Administrative Procedures Act. He said additional minor language modifications are made for clarification as to the provision of administrative leave addressed in this statute. This statutory language applies only to certificated employees and not non-certificated or classified employees of a school district.

In response to a question from the committee regarding stakeholder involvement, **Sen. Lakey** said **S 1342** is a consensus piece of legislation.

MOTION: **Rep. Horman** made a motion to send **S 1342** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Horman** will sponsor the bill on the floor.

H 621: **Rep. Boyle** explained **H 621** clarifies that a school subdistrict duly created under the requirements of Title 33-351 Idaho Code may bond for the same purposes for which a regular school district may bond under Idaho Code 33-1102. She said this use of subdistricts would be especially helpful in Cassia County where four very competitive high schools can go to patrons within their school boundaries to pass a bond for one specific high school.

MOTION: **Rep. Kloc** made a motion to send **H 621** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Boyle** will sponsor the bill on the floor.

H 579: **Rep. Boyle** explained **H 579** would allow school districts and public charter schools to receive salary-based apportionment based on the better of their midterm or full-term support unit numbers. Currently, all salary-based apportionment funds are based solely on midterm support units. This would enable the schools that experience enrollment growth as the school year progresses to receive full funding for these students. Rep. Boyle pointed to the charts distributed to the committee showing the fluctuation of student enrollment at Idaho Digital Academy, plus the third of Idaho's disadvantaged schools. (See Attached.)

Dr. Harold Nevill, Canyon-Owyhee School Service Agency (COSSA) CEO, explained COSSA is a public school cooperative serving the special education, gifted/talented, professional-technical, and alternative education needs of students from Homedale, Marsing, Notus, Parma, and Wilder School Districts. The school district also has COSSA Academy, described as a public Jr./Sr. High School with fast-track capabilities for Idaho students to receive their high school diplomas. Dr. Nevill spoke to the handout showing COSSA Academy student fluctuation over the past four years. (See Attached.) The attendance for second semester increases from 30 to 48 percent, January through March. He said **H 579** would bring fairness to the funding formula for schools similar to COSSA Academy.

In response to questions relating to the timing mechanism for funding, **Jason Hancock**, Deputy Chief of Staff, Department of Education, explained 80 percent of school funding is distributed in three payments in August, October and November. Those payment are based on actual data from the previous year's average daily attendance (ADA) for the first 10 weeks of school. In February and May, other payments are made, "trueing up" the monies to the actual data from the school current year's ADA for the first 10 weeks. Mr. Hancock said SDE reserves one or two percent of the yearly budget for a sixth payment made in July for any additional monies due a school district. He said if **H 579** were to become law, it would be possible to have gathered data, by that July payment, on the 28 consecutive weeks of highest ADA for any one school district.

A discussion was held concerning ADA safeguards for school districts and the fiscal impact of **H 579**, **Mr. Hancock** explained the use of the Public Education Stabilization Fund (PESF). To another question regarding the action required by the Joint Finance Appropriations Committee (JFAC) upon passage of **H 579**, Mr. Hancock said JFAC could reopen the educational budget, reallocate funds or both. Or JFAC could do nothing. He explained SDE absorbs volatility by pulling monies out of PESF or putting money into PESF. He said currently there is \$63 million in PESF. To an additional question regarding the necessity of passing **H 579** if a funding mechanism is already in place to absorb the \$2.2 million, Mr. Hancock said the bill would be necessary in order to meet statutory obligations.

Larry Slade, founder and director of Richard McKenna Charter High School, testified **in support** of the **H 579**. He said attendance during the school year starts low, but increases throughout the school year. For example, in November of 2013 there were 206 students enrolled; today there are 317. He said it would be more equitable for the charter school to use the average daily attendance (ADA) count from the best 28 weeks during the year instead of using the current method of funding from the first enrollment period.

Maxwell Snoey, Richard McKenna Charter High School, and **Paris Wilson-Johnson**, Idaho Digital Virtual Academy (IDVA) testified **in support** of **H 579**. They described their positive experiences in the nontraditional school setting and encouraged lawmakers to change the way ADA monies are distributed.

Petra Jauregui, board member for Inspire Connections Academy, spoke **in favor** of **H 579**. She described the student populations with whom she has worked and the critical need for a change in the schools' funding formula. **Kelly Edginton**, Head of School, IDVA, stated **H 579** relates to the equalization of funding for students in 30 percent of Idaho's school districts with open enrollment. She encouraged **support** for **H 579**.

Karen Echeverria, Executive Director, Idaho School Boards Association (ISBA) testified **in opposition** to **H 579**. She explained the fiscal note is estimated to be \$2.2 million. She said consistent with the ISBA resolutions, it cannot support any legislation impacting the funding until pre-2009 funding is fully restored. She said ISBA supports the Governor's Education Task Force Recommendations which recommends work be done on the funding formula. She stated until the new funding mechanism is in place, other funding requests need to halt. Ms. Echeverria said **H 579** would also allow for double funding of students.

Harold Ott, Rural Schools, spoke **in opposition** to **H 579**. He said he is not opposed to charter or virtual schools; he wants kids to be successful. He testified the Legislature recently passed **H 569** which eliminated "double dipping," defined as receiving student ADA funding for the same student in more than one school. He encouraged lawmakers to wait for the new funding formula recommended by the Governor's Task Force.

Responding to questions from the committee, **Mr. Ott** explained de-funding a school when a student left would not be the answer to equitable funding. He said **S 1560** provided the funding formula under which Idaho schools are currently operating. He said it did more for equity and the suggestion of taking it apart piece by piece is not the answer; the entire funding formula needs to be redone. In response to a comment from a member of the committee, **Mr. Ott** said, as an experienced impact aid consultant, the military and reservations districts receive millions of dollars from the federal government. He said school fluctuations from the perspective of military deployments or movement of military families from Idaho schools has no impact on funding. He said federal dollars may be reduced, but it is still a considerable amount.

MOTION: **Rep. Nielsen** made a motion to send **H 579** to the floor with a **DO PASS** recommendation.

ROLL CALL VOTE: Roll call vote was requested. **Motion carried by a vote of 9 AYE, 5 NAY, 2 Absent/Excused. Voting in favor** of the motion: **Reps. Nielsen, Shepherd, Boyle, Clow, Gestrin, Harris, Mendive, McDonald and DeMordaunt. Voting in opposition** to the motion: **Reps. Horman, VanOrden, Pence, Kloc and Rubel. Reps. Wills and Batemen were absent/excused. Rep. Boyle** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:55 a.m.

Representative DeMordaunt
Chair

Jean Vance
Secretary