

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Thursday, January 29, 2015

**TIME:** 8:00 A.M.

**PLACE:** Room C310

**MEMBERS PRESENT:** Senators Co-chairman Cameron, Keough, Mortimer, Bair, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey

Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon

**ABSENT/  
EXCUSED:** None

**CONVENED:** Senator Cameron convened the meeting at 8:00 A.M.

**STAFF PRESENT:** Headlee

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**PRESENTATION:** **REVIEW OF PUBLIC SCHOOLS REQUEST AND RECOMMENDATION**

**PRESENTER:** **Paul Headlee, Deputy Manager, Budget & Policy Analysis Division, Legislative Services Office**

**Headlee** reviewed the Public School Support budget for JFAC members, explained the source of funds (General, Dedicated and Federal Funds) and then compared FY 2016 budget recommendations for the Superintendent of Schools and the Governor. The Governor's General Fund budget request is 7.4% higher than FY 2015 while the School's request is an increase of 6.4%. He then explained distributions (expenses) that are statutory (required by law) and other program distributions. The amount left is considered discretionary funds. He also gave the Committee information about support units also referred to as classroom units. The state does not fund school districts based on the number of students, it funds them based on the number of support units. A school district generates support units based on the number of students it has in average daily attendance (ADA) in various categories, such as kindergarten, elementary, and secondary. Student counts are then divided by a series of divisors found in Idaho Code, Section 33-1002. In general, school districts with more students fall into categories that receive larger divisors while smaller districts received smaller divisors. As a result a small district needs fewer students to generate a support unit of funding than a large district. **Headlee** supplied a graph showing the 11-year history of discretionary funding. To review the presentation, please click on the following link: [Review of Public Schools Request](#)

**SPECIAL HEARING**

**PRESENTATION:** **Forecast Model for Public School Enrollment Growth**

**PRESENTER:** **Nate Clayville, Economist, Division of Financial Management (DFM)**

To view the presentation, please click on the following link: [Special Hearing: Forecast Model](#)

**Clayville** discussed a new methodology being used to forecast midterm support units in order to create a more accurate forecast since the current model lacked a data-driven statistical foundation. He explained the process used in creating the new model. The first step was to determine which variables to use; it was determined that population growth rate would be the best variable. Something was still missing so other variables were used and anomalies were identified. The two major anomalies were when: 1) the population grew but midterm support units were stagnant, and 2) support unit growth outpaced growth in population. New variables explained the first anomaly and made the model statistically accurate; however, the second anomaly is still not fully understood possibly because of new events that occurred, so a variable was inserted in the model to account for the anomaly.

The new methodology provided a midterm support unit growth of 87 in the 2015-2016 school year. The new model's biggest flaw is not being able to predict new events that occur since the model looks at the past in order to predict the future.

**PRESENTATION: STATE BOARD OF EDUCATION  
State Department of Education**

**PRESENTER: Sherri Ybarra, Superintendent of Public Instruction**

To view the presentation, please click on the following link: [State Department of Education & Public Schools](#)

**Ybarra** made the following introductory remarks. Local trustees and administrators have a better understanding and perspective of the specific needs and problems in their communities. Idaho's children can be served best by local control. Under her administration, policies will be driven by the needs of districts from the bottom up not the top down. She wants the Department of Education to be a service agency supporting local districts.

A Community Relations Officer position to be held by Dr. Chuck Zimmerly will focus on working with Idaho school districts to build, foster and support communication and relationships with districts and other state and local stakeholders. Meeting local needs and conditions can best be accomplished by empowering teachers and administrators with locally-controlled discretionary resources. There is much optimism for making significant gains in education funding because the economy appears to be robust and projected revenues are stronger than the past few years.

Collective problems need to be identified, such as retention of qualified teachers, low starting teacher pay, increased use of supplemental levies, federal mandates, testing complications, classrooms that are too crowded. Ybarra wants modifications to the NCLB (ESEA) waiver to resolve numerous issues in federal mandates and testing that are burdening school districts and hindering the ability to affect student achievement and outcomes.

**Ybarra** would like to have a career ladder pilot plan implemented, beginning with nine school districts and one charter school, allowing those districts to determine the sustainability and actual costs for statewide implementation. The plan would include implementation of a two-tiered licensure process for certified staff and an across-the-board pay increase for teachers. It is her goal to pursue a fiscally sound, accountable and innovative path forward for education.

## **DEPARTMENT OF EDUCATION BUDGET PRESENTATION**

The FY 2016 total budget request for the Department is \$32,330,400. Budget enhancements include the following: 1) a request for \$110,000 in General Funds to backfill a shortfall in the Fingerprint Program; the fee of \$40 has remained unchanged since 1996, 2) a request for \$50,000 in General Funds to backfill a shortfall in dedicated funds for the Teacher Certification Program, 3) a request for \$450,000 for the Science and Aerospace Program that currently serves 137 students and is focused on STEM education, 4) a request for \$95,200 for a Tiered Licensure (Certification) Coordinator, and 5) neither the Governor nor the Superintendent supports \$109,600 for a Digital Learning Coordinator; Ybarra would prefer having a Purchasing and Contract officer since the Department manages over 1,000 contracts annually.

## **PUBLIC SCHOOLS BUDGET PRESENTATION**

The FY 2016 budget request is \$1.462 billion which is an increase of \$87.3 million or 6.4%. **Ybarra** highlighted four major components in the budget request. 1) She proposed shifting \$18.7 million from mandated, non-discretionary areas of the budget to the operational category (discretionary) without restrictions to allow local authorities to decide where to allocate their resources. (This would be in addition to \$10 million already requested, bringing the operations or discretionary total to \$28.759 million.) 2) She requested \$25 million for the Career Ladder pilot program. 3) She asked for an additional \$9 million for Classroom Technology (bringing the total to \$19.4 million). 4) She asked for statutory restoration of \$8.4 million of Lottery and Safe and Drug Free money. The Lottery money was used for facilities maintenance and the Safe and Drug-Free Program money was diverted during the economic downturn.

**ADJOURNED:** There being no further business, Chairman Cameron adjourned the meeting at 9:33 A.M.

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Senator Cameron  
Chair

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Peggy Moyer  
Secretary