

MINUTES
SENATE EDUCATION COMMITTEE

DATE: Wednesday, March 11, 2015

TIME: 3:00 P.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman Mortimer, Vice Chairman Thayn, Senators Keough, Nonini, Patrick, Souza, Buckner-Webb and Ward-Engelking

ABSENT/ EXCUSED: Senator Den Hartog

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 Mortimer** called the meeting to order at 3:09 p.m.

PRESENTATION: **John Hill**, Executive Director, National Alliance for Medicaid in Education (NAME), said he was in Boise at the request of Representative Daley. He met with people and agencies that have an interest in School Based Medicaid Billing (SBMB). He explained the make-up and the mission of the NAME organization. They formed with the goal of how to best maneuver SBMB in order to receive the funding for federally mandated programs in schools. He emphasized that every state in the nation is a participant in SBMB due to the federal education mandates. However, not every state is fully accessing all the funding that they are entitled to receive. He explained that NAME works with states to help them obtain the funds. **Mr. Hill** named the reasons that hinder reimbursement: 1) improper data collection and reporting, 2) auditing procedures, and 3) state policy making. He explained the remedies to these issues and how NAME can help states with clarification of funding, billing, and reimbursements. **Mr. Hill** concluded by emphasizing that when there is a federally mandated educational service that states must comply with, there will be federal funds available to pay for those services. States spend millions of state dollars on reimbursable federal mandates. When budgets are tight states should bill for those services (see attachment 1).

Chairman Mortimer asked what types of services are billable. **Mr. Hill** stated that states can only bill for programs that are in the state's plan. Typically, speech therapy is the largest program being billed, next is classroom aids, transportation, physical therapy, and many others.

UC REQUEST: **Chairman Mortimer** explained to the Committee that the rules that were rejected will be addressed with a Senate concurrent resolution.

Senator Patrick asked for an unanimous consent to send **RS 23813, 23814, 23817, and 23818** to the Senate State Affairs Committee for a print hearing. There were no objections.

H 190: **Tim Corder**, Special Assistant to the Superintendent, State Department of Education, presented **H 190**, fees for criminal history check and a technical correction. This concern was addressed in **S 1019**, which the full Senate passed. The House changed how the fees were to be paid, which resulted in the new bill, **H 190**. This bill outlines what fees the user pays and what fees the State pays for fingerprinting and a criminal background check for those working who have contact with children while working or volunteering in the schools.

MOTION: **Senator Keough** moved to send **H 190** to floor with a **do pass** recommendation. **Senator Buckner-Webb** seconded the motion. The motion passed by **voice vote**. Vice Chairman Thayn will carry the **H 190** on the floor.

H 126: **Representative Boyle**, District 9, presented **H 126**, pertaining to the calculation of support units and administration. She explained this is a change in the salary based apportionment. She outlined the current practice which counts the students in the first ten weeks of school for funding. When a student leaves a school after ten weeks the funding does not follow them. The virtual, charters, and alternative schools are hit hardest with the current funding structure thereby creating a disincentive for them to accept students after the first ten weeks of the school year. **Representative Boyle** presented the Committee with a map and a chart that illustrated the schools that were disadvantaged with funding issues in 2013 and 2014. The State Department of Education stated that approximately 30 percent of the school districts experienced this problem with an average \$2 million impact.

Representative Boyle said this legislation will change the salary based apportionment funding (those are not the discretionary or support unit numbers). Schools will be able to count students in either the first ten weeks or the full school weeks, whichever benefits them the most, in order to calculate teacher salaries and hire appropriately.

TESTIMONY: **David High**, Chairman of Idaho Connects Online, (ICON) spoke in favor of the **H 126**. He stated that at ICON the average daily attendance (ADA) goes up during the year and that the yearly average is 20 percent higher than what it is in the first 10 weeks of school. ICON is expanding because of the demand, and ICON better meets the needs of students. They would like to see the funding formula changed.

Michael Tetrault, Board Member DaVinci Charter School, explained that the movement for school of choice has received wide support but the manner of funding operations have not been equitable. There is a need for money to follow students as they move to schools and using the highest weeks of attendance more accurately reflects the financial needs of the school. He stands in support of **H 126**.

Harold Nevill, Superintendent of Canyon Owyhee School Service Agency (COSSA), explained this service oversees five rural school districts in the Western Treasure Valley and is responsible for all special education services, professional-technical services and the alternative school called COSSA Academy. He handed out a graph to the Committee that showed the past 5 years of attendance fluctuation and explained that the highest numbers do not occur in the first 10 weeks of school, instead the best 28 weeks tend to be at the end of the year. He revealed the amount of funds lost using the first 10 weeks verses using the best 28 weeks; it is enough to hire 2 new teachers. He asked that the Committee support **H 126**.

Vice Chairman Thayn asked if the many schools in that district could share the funds. **Mr. Neville** said that each school set its own budget. Once set, it is firm because the funds have already been used to contract staff for that particular school. There is no flexibility in moving funds from one school to another. **Vice Chairman Thayn** asked if the alternative school is funded on its own and not part of the composite. **Mr. Neville** replied in the affirmative.

Karen Echeverria, Executive Director, Idaho School Boards Association (ISBA), stated that ISBA understands the issues that occur when students move from school to school. She said that this legislation will be helpful to several districts and charter school, but it will not be beneficial to all. She explained that the Governor's Task Force (GTF) recognized these issues and is working towards a solution. She urged the Committee to hold **H 126**.

Chairman Mortimer asked Ms. Echeverria to explain past legislation of the 99 percent protection clause. **Ms. Echeverria** said that the clause is a self-funded program and explained how it is used by schools to pay salaries without impacting the State. **Chairman Mortimer** asked if there is a balance in that account and which school districts have drawn on that fund in the last two years. **Ms. Echeverria** said she didn't have that list but did know that several schools have been able to draw from that fund. She reminded the Committee that charter schools were never a part of the fund.

Senator Ward-Engelking stated the GTF had originally looked at changing how funds were distributed. Because a proposal has not been brought forth from the GTF is the formula still the Average Daily Attendance (ADA)? **Ms. Echeverria** replied in the affirmative. She explained the GTF has not completed their work, but she believes they are carving out some sort of exemption for this very issue.

Senator Souza asked if alternative schools struggle, is there funding available to help them. **Ms. Echeverria** stated that no school should struggle, and there is a solution coming forward from the GTF. She asserted that all they are asking is to delay this decision for a year until the GTF recommendation comes forth.

Laurie Correll spoke in favor of **H 126**. She recounted the success of three students from COSSA. She said the program is vital to young people's lives, and they need proper funding to maintain a successful program.

Kelly Edginton, Head of School Idaho Virtual Academy (IVA), stated she is in support of **H 126**. IVA has been waiting for a change in the funding formula. She explained the focus of the school and the demographics of the students. She stated that enrollment is very versatile, and the highest number of students enrolled in IVA occurs after the first reporting time frame.

Nathan Adleman, National Honor Student, IVA said he is in support of **H 126**. He spoke about his schooling experience and its positive effects on his life. He talked about the class load and its rigor. He concluded by asking the Committee to please support this bill to accommodate the influx of students.

Alicia Brodersen, IVA, is a second semester enrollee and explained why she chose to enroll in IVA. She is in support of **H 126**.

DISCUSSION:

Representative Boyle concluded by saying that the GTF has been promising that they will be bringing a recommendation forward. These schools have waited for years for some sort of solution to the funding inequity. She stated that Mr. Taggart from the GTF suggested they move forward with this bill. All schools will benefit because they do not lose funding based on what weeks they choose for reporting.

Senator Ward-Engelking stated that the way the formula currently works is front loaded, which helps schools prepare for the year. However, when students move to another school, those schools should not be penalized and should have the funds to best serve the student. She stated she is in support of **H 126**.

Senator Patrick wanted reaffirmation that this bill is in regard to the money following students. **Representative Boyle** replied in the affirmative.

Senator Keough wanted clarity that this would impact all school districts regardless of whether they are charter districts. **Representation Boyle** replied in the affirmative.

Senator Souza stated these schools need support and cannot wait for the GTF to come forth with a bill. She remarked this could be the time to take action.

MOTION:

Senator Nonini moved to send **H 126** with a **do pass** recommendation. **Senator Patrick** seconded the motion. The motion passed by **voice vote**.

Senators Patrick and Bayer will carry **H 126** on the floor.

ADJOURNED: There being no more business, **Chairman Mortimer** adjourned the meeting at 4:42 p.m.

Senator Mortimer
Chair

LeAnn South
Secretary