

MINUTES
SENATE EDUCATION COMMITTEE

DATE: Tuesday, March 01, 2016

TIME: 3:00 P.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman Mortimer, Vice Chairman Thayn, Senators Nonini, Patrick, Souza, Den Hartog, Anthon, 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 Mortimer** called the Education Committee (Committee) to order at 3:00 p.m.

RS 24637 **Blake Youde**, Chief Communications and Legislative Affairs Officer, State Board of Education (SBE), presented **RS 24637**. He said this new legislation is in regard to the replication of public charter schools. He explained the problems with the previous legislation and addressed how the stakeholders will remedy the contracting of business management companies to bring forward in the next session. This legislation removes the contracting provision and continues to allow for the replication of public charter schools.

MOTION: **Senator Thayn** moved to send **RS 24637** with unanimous consent to Senate State Affairs Committee for a print hearing.

PASSED THE GAVEL: Chairman Mortimer passed the gavel to Vice Chairman Thayn.

S 1331 **Chairman Mortimer** presented **S 1331**, Relating to Education, Revise Provisions for the Public Education Stabilization Fund (PESF). He explained that this legislation sets up an account to receive funds when the receipts to the General Fund for the fiscal year just ending have exceeded the receipts of the previous fiscal year by more than 4 percent. The State Controller would oversee the transfer of the fund collections. He stated when the economic growth in the State is strong, there would be additional money to the PESF account; he detailed a scenario of an account balance during an economic height.

Senator Anthon asked if this will raise the cap for the PESF. Chairman Mortimer replied in the affirmative. **Senator Anthon** asked the reason for not raising the Budget Stabilization Fund (BSF) cap. **Chairman Mortimer** said it could be raised at any time the Legislature chooses.

Senator Anthon asked if there are uses for the PESF other than for support units. **Chairman Mortimer** replied in the affirmative, but he said he is not sure to where.

Senator Den Hartog asked if there is anything that automatically deposits additional funds to PESF. **Chairman Mortimer** replied in the negative.

Senator Souza asked how the PESF is currently funded and inquired about the decrease in the account. **Chairman Mortimer** explained how PESF is funded and reported the amounts for the past 12 years. He said the Joint Finance-Appropriations Committee (JFAC) makes a conscientious effort to allocate funds to PESF.

Vice Chairman Thayn asked Chairman Mortimer if he had vetted this with leadership and others in the Legislature. **Chairman Mortimer** said he had visited with some Senators and leadership in the House.

Senator Anthon asked if the BSF correlates with PESF. **Chairman Mortimer** reported BSF amounts beginning in 2003, which showed that there was a direct correlation.

Senator Anthon asked if this proposal passes, are there concerns that the BSF, during difficult economic times, will not have any fallback money? **Chairman Mortimer** replied in the negative. He gave examples of possible ways to fund education through the PESF during economic downturns. This is a way to raise the State's savings account and give some priority to PESF.

Senator Nonini asked how the PESF was used during the recession prior to the American Recovery and Reinvestment Act (ARRA). **Chairman Mortimer** replied he did not know the specifics. He said the recession used all the ARRA funds, the BSF and the PESF, plus they had to cut the budget to finance the State's work. During that time, \$100 million was used from the PESF.

Chairman Mortimer explained this formula change for PESF is something he has considered for awhile and thought it was time to start the discussion. This legislation could possibly solve the funding caps and direct the attention on education, which is the largest segment of the budget.

Many of the Senators on the Committee raised their concerns about creating an additional burden to the budget and what types of barriers this could create during a possible economic downturn. **Chairman Mortimer** addressed their concerns and indicated he would like to withdraw **S 1331** from consideration.

S 1332

Chairman Mortimer presented **S 1332**, Relating to Education, Establish the Industry Partnership Fund (IPF). He explained this bill will set up a funding bucket designated as an industry partner fund to be used by professional-technical colleges and industry. They will use the funds to fill gaps in skills and abilities by making funds available to provide timely access to relevant college credit and/or noncredit training and support projects. He explained many discussions have focused on professional-technical education and adding more funds for those certifications. Currently that type of funding is scarce.

Chairman Mortimer said that in his discussions with industry leaders, he has learned that the labor market needs employees that have certificates and badges. Industry believes in order to have that type of employee, they have to train people themselves. Chairman Mortimer worked with people from the community colleges and PTE to develop this legislation. The funds for the IPF will come from the State and from businesses. IPF could release the funds quickly to community colleges or PTE to meet the staffing needs of industry. IPF will be overseen by the Idaho Technical College Leadership Council (TCLC).

Senator Ward-Engelking asked if there would be any legislative oversight. **Chairman Mortimer** replied in the negative. He explained the TCLC would oversee IPF and he outlined the make-up of that committee.

Senator Anthon said the legislation states the money for the IPF is to come from legislative transfers and appropriations and any other governmental sources. He asked if that limits any other outside entity to add money to the IPF. **Chairman Mortimer** explained that there would be matching funds from industry. Those would be funds for economic development or workforce training. **Senator Anthon** asked if the IPF could be set-up to allow funding from other sources outside the government. **Chairman Mortimer** said the industry funds would match what the government contributed and it would not necessarily go directly into the fund.

Senator Souza asked if in the legislation the IPF has the capability to accept industry money. **Chairman Mortimer** replied industry can currently earmark funds for programs. He said this program is specifically designed to fund rapid training.

Senator Patrick asked if the appropriation of the funds, as stated in the bill, could be made available quickly. **Chairman Mortimer** replied appropriation can be a slow process. It is his hope that through the discussions relating to training and certification, those timelines could be shortened.

TESTIMONY:

John Watts, Lobbyist, Veritas Advisors; a Governmental Affairs Firm said that he is representing Premier Technology (Premier). He explained the work of Premier and that they have struggled to find highly skilled employees. He explained that **S 1332** will create a new private-public partnership program between career-technical education institutions and businesses. He emphasized this legislation allow a rapid response to educate workers to fill industry need. He told the Committee that the legislation does ask for employer commitment through promissory notes, in terms of cash or in-kind contributions. **Mr. Watts** gave examples of how the IPF would benefit Idaho. He reminded the Committee that rules still need to be promulgated from the Division of Professional-Technical Education to aid in this legislation. He urged the committee to pass **S 1332**.

Senator Ward-Engelking said she is very supportive of this idea. She asked if this bill moves forward and does not receive the governmental funding are there other ways that companies can still provide help. **Mr. Watts** said that has already been demonstrated with the current support from businesses. He gave an example of the current partnership the College of Western Idaho has with Western States Ca

Chairman Mortimer closed the presentation by stating the IPF is for growing a more educated workforce in Idaho. Even if there is no funding, the passage of this legislation will begin the rule promulgation. It is going to take time to get industry and government to come together to finalize the process.

MOTION:

Senator Nonini moved to send **S 1332** to the floor with a **do pass** recommendation. **Senator Souza** seconded the motion.

Senator Anthon said he supports the idea of the IPF because it addresses a big need in Idaho. Local community colleges and the Department of Labor are working to bridge the employment gap. **Senator Anthon** said he doesn't like the word "governmental" on line 12. He explained the economic development in Southern Idaho through the Southern Idaho Economic Development Organization (SIEDO) and described how they have worked with industry. He said removing "governmental" will allow for other entities to add to the IPF.

SUBSTITUTE MOTION:

Senator Anthon moved to send **S 1332** to the 14th Order for amendment.

Senator Nonini said after listening to Senator Anthon's explanation, he is in agreement and withdrew his motion.

Before withdrawing her second, **Senator Souza** asked if there is a problem for the fund to take industry money. **Chairman Mortimer** said there shouldn't be a problem. His desire is to fund IPF from a variety of sources. Satisfied with his answer, **Senator Souza** withdrew her second.

Senator Nonini seconded the substitute motion.

Senator Ward-Engelking said even if this is not funded by government appropriation, this allows industry to help pay for some of the training and to do it quickly. She said she is concerned that sending **S 1332** to the 14th Order will create a problematic bill. She doesn't want to see this bill killed. **Chairman Mortimer** said changing the word "governmental" shouldn't create problems. His concern is to make sure that both the State and industry are committed to IPF. He confirmed that by passing this legislation, the rulemaking can begin and the process can get started.

Senator Patrick reminded the Committee that during the economic downturn many State research entities would have closed had it not been for industry partnerships. He said this is just a funding bucket and rulemaking needs to get started to make sure it works properly.

SUBSTITUTE MOTION:

Senator Patrick made a substitute motion to send **S 1332** as written to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion.

Senator Souza asked Chairman Mortimer what his preference was for **S 1332**. Chairman Mortimer said he would like to see it go to the 14th Order.

Senator Ward-Engelking withdrew the second. **Senator Patrick** withdrew the substitute motion to send **S 1332** to the floor with a **do pass** recommendation.

VOTE ON THE FIRST SUBSTITUTE MOTION:

The motion to send **S 1332** to the 14th Order for amending passed by **voice vote**. Chairman Mortimer will carry **S 1332** on the floor.

RETURNED THE GAVEL:

Vice Chairman Thayn returned the gavel to Chairman Mortimer.

H 458

Vice Chairman Thayn presented **H 458**, Relating to Advanced Opportunities, Revise Definitions, Amend Sections, Make Technical Corrections. He said this legislation is about streamlining the administration of the Advanced Opportunities Program (Program). Currently, he explained, there are four programs available for students that have caused confusion. This legislation incorporates them all into one program and provides an amount of money that each student has access to beginning in seventh grade. He explained the different types of classes for which they can use the funds. He stated this legislation is an administrative fix.

Senator Souza asked if this money follows students into postsecondary education. **Vice Chairman Thayn** replied in the negative.

Senator Ward-Engelking asked if participation in the Program will increase, thereby causing the administrative costs to increase. **Vice Chairman Thayn** said they expect an increase in participation and the cost will go up. He reported the proposed costs. He invited Matt McCarter from the State Department of Education (SDE) to explain the Program.

Matt McCarter, Director, Division of Student Engagement and Career Readiness, SDE, said they have been administering the Program since its inception. He explained the Program has been an umbrella for many different opportunities, created over the course of many different years; it also has produced a multitude of problems to administer. The changes in this legislation will maintain the spirit of the program while helping resolve the administrative issues. He explained how students can access the Program through the SDE's portal.

TESTIMONY: **Dr. Don Coberly**, Superintendent, Boise School District (BSD), said they are in support of **H 458**. He explained the work that Mr. McCarter has done with superintendents across the State to make student access to the Program easier to administer. He emphasized that the development of different options for students to earn postsecondary credits is critically important in moving Idaho's education system forward. He reported the number of postsecondary credits students have earned in the years 2008 and 2009; those numbers have doubled in 2015. Dual credit for all districts, especially rural districts have become the main pathway for college credits. He emphasized how important this is for less fortunate students. **Dr. Coberly** urged support of **H 458**.

Vice Chairman Thayn closed his presentation by saying the cost of this program is approximately .03 percent of the total education budget. He said for students without ready funds for college, the Program gets them postsecondary credits at no cost to them. He asked this be sent to the amending order to change some problematic wording and explained those problems.

MOTION: **Senator Souza** moved to send **H 458** to the 14th Order for amendment. **Senator Den Hartog** seconded the motion. The motion passed by **voice vote**. Vice Chairman Thayn will carry **H 458** on the floor.

ADJOURNED: There being no more business, **Chairman Mortimer** adjourned the meeting at 4:19 p.m.

Senator Dean M. Mortimer
Chair

LeAnn Mohr
Secretary