

SB1196 PUBLIC SCHOOL FUNDING FORMULA TESTIMONY

Mr. Chair and members of the Committees. For the record, I am Karen Echeverria and I'm the Executive Director of the Idaho School Boards Association. I am here today testifying on behalf of the over 900 school board members who govern all 115 school districts and over 40 charter schools in Idaho.

I want to first thank Chairman Mortimer and Senator Den Hartog for their willingness to listen to our concerns and make amendments to the bill based on those concerns. We do appreciate their efforts and understand their desire to move this issue forward.

While the specific concerns that we provided have been addressed, we continue to have some overarching concerns that I will be discussing:

Recommendations from the Governor's K12 Education Task Force

I want to first talk about Governor Otter's K12 Education Task Force. We heard many times that the Task Force recommended moving to an enrollment funding model. That is true. They also recommended moving to a career ladder funding model for teacher pay. I was a member of that Task Force and I can tell you that it was never our intent to combine those two recommendations. They were two separate recommendations – one for a career ladder and one for enrollment. My recollection of the enrollment funding was for all the line items that currently exist in law. It was not to have a five year plan for the career ladder and then move it all to enrollment.

But that is not what we have before us today and that is why it has been so difficult to try to jam a square peg (career ladder) into a round hole (enrollment funding). These two concepts are not congruous with each other.

Process

Much has been said about the process. We thank and appreciate all the work the Public School Funding Formula Interim Committee did to go out in the field and hear from patrons and tax payers around the state. We believe that was a good start to the process.

However, once those meetings were completed, stakeholders were excluded. While the task force met and began making decisions about weights, enrollment, what should and should not be included in the formula, stakeholders believe their input was not heard.

That is evidenced by a letter that the Idaho School Boards Association, the Idaho Education Association, and the Idaho Association of School Administrators sent to the Interim Committee on October. The committee took no action on the requests in our letter but instead attached it to their final report. That letter nor its contents have ever been discussed since. I'm guessing that many legislators don't even know that the letter exists.

The requests we made in that letter are still valid today and what we believe needs to occur with this legislation. I have provided the Committee a copy of that letter.

PSFF Interim Committee Recommendations v. Legislation

Many comments have also been made about the legislation drafted by the Interim Committee. My members believe it is important to note that the Interim Committee did not write any legislation. They issued a final report with several recommendations but they did not write any legislation.

At the September 24 meeting, Co-Chair Winder asked that a subcommittee be formed to draft the legislation. Representatives Horman and McCrostie, Senators Den Hartog, Ward Engleking, and Mortimer, and Dr. Clark volunteered to participate in drafting the legislation. The minutes also indicate that the Governor's Office, State Department of Education, and State Board of Education would also participate in the drafting. All parties were included in the first meeting of drafting the bill. However, after that first meeting, Representative McCrostie, Senator Ward Engleking, and the government agencies were no longer invited to the meetings where draft legislation was being crafted.

It is critically important to note that at no time were the education constituents asked to participate in drafting the language of the first draft of the bill. Those people who will be responsible for implementing the provisions of the bill were excluded from assisting with the original draft. We firmly believe that had we been, this process would have been much smoother.

Specific Issues With the Bill

I would now like to address some issues with the bill that we think still need to be addressed.

Alternative Schools

The Interim Committee had many discussions related to Alternative Schools and how to deal with those students. However, there are no provisions for additional funding for alternative schools.

Allocations for More Experienced Teachers

We know that this is a touchy subject and that the sponsors of the bill have made some concessions related to this issue. However, we believe a more precise system of accounting for more experienced teachers will assist in keeping class sizes down and more experienced teachers in the classroom.

Technology Dollars

As was expressed in the joint letter to the committee and a previous email from ISBA, we believe that technology dollars need to be included in the formula and not kept as a separate line item. It is the only pro-rata line item that is excluded from the formula.

At the September 24 meeting, the committee discussed ISBA's request but did not take any formal action. During that same meeting, Marilyn Whitney, then from the Governor's office, noted that Governor Otter's Task Force recommended adding more dollars to technology and eventually including that in the enrollment funding. Now that we are moving to enrollment funding, that should occur.

We obviously have concerns about any cliff that will occur at the end of three years when the guaranteed funding ends. In addition, we have concerns about the guaranteed 2% increase even if enrollment is declining in any given LEA. If enrollment declines by 15% over a three year period but the LEA has been provided at least at 6% increase, that means they will see a 21% decrease at the end of three years.

Funding Needed to Make This Work

ISBA's members want to acknowledge and thank the legislature for the significant increases in funding over the last five years that have assisted in moving teacher's salaries up.

However, we have concerns about funding moving forward. At the Interim Committee's last meeting held on November 26, Speaker Bedke asked if the career ladder would stay tiered. Michael Griffith, from Education Commission of the States, responded that if the minimum salary schedule is used and updated each year, it would stay close to what it currently is. He noted that nationally salaries are about 60%-65% of school funding, but in Idaho that number is closer to 55%. ECS would expect Idaho to spend \$75 million - \$150 million more each year on teacher salaries and benefits than it currently does. That is just teacher salaries and none of the other items either out of or in the formula.

That is a significant amount of money and we would ask that the legislature have discussions about the consequences of the funding needed to make this career ladder work.

Spreadsheet

We also have some concerns related to the spreadsheet. Many of these come from business managers who have attempted to work with the spreadsheet.

First of all, there are many columns of data that are either locked so that users can't access them or the data is unnecessary.

A question was asked last week about how an LEA can budget using the current formula. Michael Griffiths suggested that the Budgeting Tool on the spreadsheet could be used. However, anytime data is changed by one LEA, it has an impact on all other LEAs. While and LEA can manipulate their own data, if all the other LEAs are doing the same, it is impossible to know what the outcome will be.

There is a column on the Funding Comparisons Tab entitled "Items Not Included". This is all of the line items that are outside of the formula. That column shows a 9.1% increase over the current funding. We are unclear how that increased was determined and don't believe that it is accurate.

As I stated in my original testimony to the joint committees, we all know that this spreadsheet uses averages and not actual numbers. For instance, there is an assumption that the special education population in Idaho is around 6%. However, we don't know if that is accurate. If it is, we are

certain that it is not evenly distributed among all LEAs. Not every LEA will have a 6% special education population. We understand it is the only way that this spreadsheet could be built knowing what we currently know. However, the spreadsheet could be far more accurate if we had actual counts.

Finally, we need to have a spreadsheet that shows at least three years of data. We need to see what the actual cost will be and what the cliff looks like for many of our LEAs.

Ask

In the end, I guess I can use whatever euphemism sounds good – the soup isn't done cooking yet or the sausage isn't yet fully made. In the end, my members don't believe that this legislation isn't quite ready for prime time. As such, we are going to ask for one thing.

If this legislation is passed in its current form or even an amended form, we would ask that you include a two year delay in actual implementation rather than one. A two year delay will do several things:

First, it will give us all time to address the issues that I have noted. Things like how to fund alternative schools and allowing the policy committees, and not the Interim Committee, to decide how to deal with technology dollars.

Secondly, it will allow the State Board of Education the needed time to draft rules. Rulemaking will be significant and lengthy and should not be rushed. One of the most important parts of this legislation is the definition of enrollment and that will be crafted during the rulemaking process. If we only have a one year implementation, it will be necessary for the Board to draft rules immediately in order for LEAs to know how to begin submitting data, and for the State Department of Education to be prepared to collect the data, during that first shadow year. The shadow year is critical so that special populations can be accurately collected and recorded.

In addition, having a two year implementation will allow the legislature the opportunity to review those rules next legislative session and approve, amend, or reject them before they become permanent. If LEA's spend a year collecting data under a rule that the legislature then rejects or amends, all the data could be useless.

Finally, delaying implementation will allow Tim Hill at the State Department of Education a year to create a spreadsheet with more accurate data and one that we can all feel comfortable using. That will benefit both LEAs and the legislature when they look at how much will be needed to fund and how many, if any, LEAs will be facing a cliff.

Once all of those things are done, during the second year we will be able to adequately collect data and be fully prepared for implementation the following year.

Close

Again, thank you to all of those who have been involved in the drafting of this legislation. We appreciate the many hours of work that have gone into it. We are hoping that we will all come to consensus on a funding formula that is transparent, flexible, equitable, and accountable.

Thank you Mr. Chair and members of the Committee. I stand for questions.