

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, January 17, 2022

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Agenbroad, Crabtree, VanOrden, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, and Nye
Representatives Co-chairman Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Green, and Nash

ABSENT/ EXCUSED: None

CONVENED: **Co-Chairman Agenbroad** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at 8:01 a.m.

LSO STAFF PRESENTATION: **THE PUBLIC EDUCATION STABILIZATION FUND (PESF), SECTION 33-1018C, IDAHO CODE, Jared Tatro, Deputy Manager, Legislative Services Office (LSO) Budget and Policy Analysis**

Mr. Tatro explained in 2017, Section 33–1018C was added to Idaho Code which requires the Committee to evaluate and consider replacing any transfers out of PESF that occurred the prior fiscal year (FY). Last year, FY 2021, that withdrawal netted \$15.47 million. **Mr. Tatro** summarized PESF’s background, detailing amounts withdrawn from PESF for FY 2021 and the Governor’s FY 2022/2023 recommendation that \$121 million from the General Fund be transferred to PESF (see attachment 1).

In response to Committee questions, **Mr. Tatro** explained the amounts withdrawn from PESF are determined at the end of the year, when the Department of Education reconciles the allowable expenditures (costs) versus the appropriated amounts.

AGENCY PRESENTATION: **PUBLIC SCHOOL SUPPORT (K-12); STATE DEPARTMENT OF EDUCATION (SDE), Sherri Ybarra, Idaho Superintendent of Public Instruction**

Mr. Tatro summarized the six division public school support program, and the educational services for the deaf and blind. He outlined the FY 2022 supplemental and FY 2023 original public schools support program spreadsheet (see attachment 2) which details all appropriations compared to requests, and the Governor’s recommendations for the various programs with up to date numbers broken down by fund sources. He reminded the Committee that this year’s original appropriation is \$3,109,128,200.

Ms. Ybarra presented the Public Schools Budget FY 2023 request to support Idaho's schools and 313,000 students to achieve, discussing the importance of making strategic investments to improve our public schools and student outcomes. **Ms. Ybarra** detailed the Student Advisory Council, Idaho's national rankings, the substitute and staff shortage, department goals, and the impact of the pandemic and zoom classes. She detailed the data for the Idaho Reading Indicator, Idaho Standards Achievement Test results, College Entrance Exam (SAT) results, and the four and five year graduation rate. She addressed learning loss, the literacy summit, Idaho's math standards, the advanced opportunities program, student nutrition, and students served under the Elementary and Secondary Education Act. **Ms. Ybarra** reported the allocated versus expended amounts for the Idaho Rebounds Relief Funds, and multiple Elementary and Secondary School Emergency Relief funds for FY 2021 and FY 2022. (See attachment 3.)

Vice-Chairman Crabtree asked about programs for dyslexic students and **Ms. Ybarra** explained the special education team and their efforts.

Representative Troy asked about the relevancy of the SAT and ACT exams, and about the suicide prevention plan, especially the peer-to-peer program.

Ms. Ybarra stated suicide prevention is a priority in her budget and deferred explanation to her budget presentation. **Ms. Ybarra** explained that SDE's goal is to allow students the choice between taking the SAT or ACT exams and that both should be funded to assist those students who would give up if the resource wasn't offered to them through the school system.

Representative Nate asked about the Idaho Reading Indicator numbers and the drop in performance, even when spending is trending upwards. He inquired as to what system wide changes could be made to improve proficiency. **Ms. Ybarra** pointed out there has been steady increases and results in achievements but they do still have more work to do. She explained the SDE is investing in reading and math coaches and moving towards growth over time versus a onetime snapshot, pointing out Idaho has moved from ranking 31st (in 2016) to 17th in the nation. She informed that Idaho is 5th in the nation for college and career readiness, and summarized other mastery based education programs and the Advanced Opportunities program.

Representative Nate asked about H 377 which referenced critical race theory and diversity education inclusion and what specific measures the SDE has taken to insure compliance. **Ms. Ybarra** detailed the five step process she implemented.

Ms. Ybarra reported the SDE Agency's FY 2023 General Fund Budget Request, summarized the increased expenditures, and provided background for the larger increases. She directed the Committee to different pages in their 2022 Legislative Budget Book Fiscal Year 2023 (LBB) with revised appropriation and budget numbers. **Ms. Ybarra** further explained funding sources, both federal and general, and the distributions thereof. She specified which specific distribution costs have increased from FY 2022 and provided background.

Ms. Ybarra continued by defining the request for career ladder budget items, attracting staff/essential personnel, and providing the funding for improved pay for veteran teachers. She stressed that increases need to be made to attract staffing and face the challenges districts are experiencing, requesting a 6.9 percent increase of staffing funds.

Ms. Ybarra emphasized a top priority for the SDE is funding for an optional all day kindergarten for at risk students throughout Idaho, requesting \$39,337,000. She explained that based upon a three year average from the Idaho Reading Indicator fall scores, two-thirds of incoming kindergartners are at risk and coming into school already behind.

Representative Nash asked about classified employee salaries, pointing out for every \$1.68 that school districts spend, the state is spending \$1.00 and what the long term vision is for closing that gap. **Julie Oberle**, Chief Financial Officer for Public Schools, SDE, stated that the number is now \$1.59 for every dollar, and schools are spending 59% more than what they are receiving. She explained that they plan to ask for substantial increases for classified staff.

Vice-Chairman Crabtree inquired about SDE supporting optional all day kindergarten for all children, when the current request is for at-risk children.

Ms. Ybarra responded she realized due to budget restrictions, and to be conservatively responsible, she wanted to begin with providing the program to kids that need it the most.

Ms. Ybarra summarized the details of the specific line item requests and provided references to page numbers in the LBB. She elaborated on discretionary fund requests.

**STATE DEPARTMENT OF EDUCATION, Sherri Ybarra, Idaho
Superintendent of Public Instruction**

Mr. Tatro stated that pursuant to Section 33–125, Idaho Code, the SDE is placed under the State Board of Education and the Superintendent serves as the executive officer, having the responsibility to carry out the policies, procedures and duties that pertain to elementary and secondary, or K through 12, matters. He detailed the two budgeted programs, which are administration and student services. He focused on the total appropriations and actual expenditures (see attachment 4), for the last five years and discussed the specific variance between them.

Ms. Ybarra presented her budget request for FY 2023 and summarized the numbers included in the SDE’s Report to the Legislature. She outlined SDE’s goals that all Idaho children are reading on grade level by third grade, all Idaho students are ready for college and careers, that education stakeholders collaborate to support student progress and achievement, and that Idaho attracts and retains great teachers and leaders. **Ms. Ybarra** summarized the request and detailed multiple specific line item requests (see attachment 5). She cited the specifics for the federal Grant Management awards to provide pertinent information for federal funds distributions. **Ms. Ybarra** further summarized the American Rescue Plan Homeless Children and Youth Act state plan, including its budget request and personnel costs. She also touched upon fund requests for non-public schools.

ADJOURNED:

There being no further business before the Committee, **Co-Chairman Agenbroad** adjourned the meeting at 10:55 a.m.

Senator Agenbroad
Chair

Erin Miller
Secretary