

**MINUTES**  
**Approved by the Committee**  
**Public School Funding Formula Committee**  
**Tuesday, August 30, 2016**  
**10:15 A.M.**  
**Lincoln Auditorium - WW02**  
**Boise, Idaho**

**MEMBERS:** Co-chairs Senator Chuck Winder and Representative Wendy Horman; Senators Dean Mortimer and Janie Ward-Engelking; Representatives Speaker Scott Bedke, Julie VanOrden, Sage Dixon, and John McCrostie; and nonlegislative members Dr. Linda Clark, State Board of Education, and Sherri Ybarra, Superintendent of Public Instruction

**ABSENT/**

**EXCUSED:** Senators Cliff Bayer and Steven Thayn,

**ATTENDEES:** Representative Pat McDonald; Representative Ryan Kerby; Tony Grange and Bryon Welch, Office of Performance Evaluations; Gayle Wilde, American Association of University Women; Blake Youde and Tracie Bent, Office of the State Board of Education; Tim Hill, State Department of Education; Jane Wittmeyer, Coalition of Idaho Charter School Families; John Foster and Kate Haas, Kestrel West; Corey Cook, Boise State University; Rob Winslow and Helen Price, Idaho Association of School Administrators; Jacob Smith, Idaho Digital Learning Academy; Marc Gee, Preston School District; Jess Harrison and Karen Echeverria, Idaho School Board Association; Carlie Foster, Lobby Idaho; Elinor Chehey, League of Women Voters; Tyson White, KBTB; Jayson Ronk, Micron; Angie Carter, Twin Falls School District; Tom LeClaire, Coalition of Idaho Charter School Families ; Steve Smylie; Don Keller; and Suzanne Budge. Legislative Services Office (LSO) staff: Paul Headlee, Kristin Ford, and Lara Margelofsky

**NOTE:** Copies of presentations, handouts, and reference materials can be found at [www.legislature.idaho.gov](http://www.legislature.idaho.gov) and are also on file in the Legislative Services Office. The entire reference document for this meeting's presentations can be viewed at: [https://www.legislature.idaho.gov/sessioninfo/2016/interim/160830\\_psff\\_2ndMeetingPresPacket.pdf](https://www.legislature.idaho.gov/sessioninfo/2016/interim/160830_psff_2ndMeetingPresPacket.pdf)

**CONVENED:** Co-chair Horman called the meeting to order at 10:25 A.M.

**WELCOME AND**

**INTRODUCTIONS:** Co-chair Horman reported on a workshop meeting with IASA.

**STAFF**

**PRESENTATION:** **FOLLOW-UP ON INFORMATION FROM JULY 12 MEETING**

**PRESENTER:** **Tim Hill, State Department of Education**

Mr. Hill reported on data regarding recent supplemental levies and compared it to comparable ADA data.

**STAFF**

**PRESENTATION:** **STATUS OF PROPOSED SURVEY**

**PRESENTER:** **Blake Youde, Office of the State Board of Education**

Mr. Youde gave an update on the subcommittee's work on survey development and implementation. Progress timeline markers include:

- August - Draft survey questions developed with Legislative Services Office. Also reviewed the approach that Montana's Legislative Services Division used for a recent survey of public school stakeholders.
- August 18 - Draft survey questions sent to survey workgroup.
- August 26 - Draft survey questions sent to stakeholder groups (IEA, ISBA, IASA, Idaho Charter School Network, and Northwest Professional Educators) for review with responses requested by September 1.
- Target date to launch survey to the public is September 15.

A draft of the survey can be found on pages 3-17 of the committee packet. The committee discussed and gave guidance on the content and rewording of survey questions.

**STAFF  
PRESENTATION:**

**SCHOOL DISTRICT HEALTH INSURANCE (PART 1) – OPTIONS TO IDENTIFY HEALTH INSURANCE COSTS WITHIN THE PUBLIC SCHOOL APPROPRIATION**

**PRESENTER:**

**Paul Headlee, LSO**

Mr. Headlee reported on options to create a methodology that will allow the Legislature to more accurately fund annual increases in school district and charter school employer-paid health insurance premiums. He noted several steps in the general approach:

- Estimate the annual school district and charter school employer-paid health insurance costs for those employees paid with state funds through the annual public school appropriation.
- Apply those estimated costs to discretionary funds, currently appropriated at \$382,516,200 for FY 2017. Then, decide whether to leave those costs within the discretionary funds or move to a separate distribution.
- Escalate those costs each year based on chosen indexes or data.

Mr. Headlee presented three potential options:

- Estimate the percentage of funding used for health insurance premiums.
- Calculate the weighted statewide average cost per employee and multiply by staff allowance. (Example included in committee packet.)
- Require direct reporting of actual costs by districts.

The committee discussed the way federal funding is used to cover teacher salaries and benefits, including health insurance. They also compared transportation funding program requirements to potential health insurance funding options.

**STAFF  
PRESENTATION:**

**FEDERAL FUNDING IN THE PUBLIC SCHOOLS BUDGET**

**PRESENTERS:**

**Paul Headlee, LSO, and Louie Konkol, State Department of Education**

Mr. Headlee presented on trends in the 10-year history of the education budget. He noted that federal funds make up about 14 percent of the public school appropriation.

Mr. Konkol presented on the impact of federal funds in the budget. He discussed the impact of the Tydings Amendment on the ability of federal funds and showcased the amount of federal funds Idaho gets and how it is broken down by category.

The committee discussed how funds flow to entities that use the money, and they requested more information on local municipalities filling funding gaps.

**STAFF  
PRESENTATION:**

**UPDATE ON THE EVALUATION OF STATE-FUNDED SERVICES FOR  
K-12 EDUCATION**

**PRESENTER:**

**Bryon Welch, Office of Performance Evaluations**

Mr. Welch gave an update on OPE's study of the distributions in the public school budget. He noted that OPE met with Department of Education staff and has been reaching out to agencies. He anticipates release of the report in December.

**PUBLIC  
TESTIMONY**

**PRESENTER:**

**Steve Smylie**

**REPRESENTING:**

Himself

Mr. Smylie noted that any solution for the distribution formula should not take money from one group and give it to another, but look at proactive solutions. He said he would like individual districts to have more options, including opportunities for state support for construction. He added that he would like to see discussion on dealing with inequality and growth and options for construction levies.

**PUBLIC  
TESTIMONY**

**PRESENTER:**

**Don Keller**

**REPRESENTING:**

Himself, as an Idaho educator

Mr. Keller provided insight into the funding processes he's been involved in and into developing a new school. He noted that community aspects come into play, that some don't have the revenue-generating capacity to offer certain things, so schools have to. He explained how special education students affected the budget. He discussed how much it costs to be innovative and added that grants would help in that regard.

**PUBLIC  
TESTIMONY**

**PRESENTER:**

**Rob Winslow**

**REPRESENTING:**

Idaho Association of School Administrators

Mr. Winslow recalled involvement in the Governor's Task Force and noted the top priority that came out of it was fiscal stability. He said that it is still the top priority for superintendents because districts continue to struggle. He stated that they support a funding formula that is designed for actual costs in school districts, and added that the career ladder is a good start. He said that some things they would like to see addressed in the survey include: classified and super classified salaries, mastery learning, completion, weighted students, special education, English language learners, funding for students that choose overloaded schedules, and increased financial support for administrative staff.

**PUBLIC  
TESTIMONY**

**PRESENTER:** **Karen Echeverria**

**REPRESENTING:** Idaho School Board Association

Ms. Echeverria said that the ISBA requests the committee provide as much flexibility as possible, to get rid of line items and let school districts and charter schools determine how to spend funds. She noted that the career ladder continues to help bring teachers' salaries to competitive levels, but added that the classified staff salaries need to be addressed in the funding formula. She concluded that facilities funding needs to be discussed, that some buildings are at a critical state, and that bond passage rate is high.

**PUBLIC  
TESTIMONY**

**PRESENTER:** **Tom LeClaire**

**REPRESENTING:** Coalition of Idaho Charter School Families

Mr. LeClaire expressed that CICSF is in support of strong funding for charter schools and funding students as they move. They would like the provisions of HB 603 to be made permanent rather than sunset. They support the concept of a foundation amount for each child to allow funding to follow the student.

**STAFF  
PRESENTATION:** **UPDATE ON THE IMPLEMENTATION OF THE  
RECOMMENDATIONS FROM THE GOVERNOR'S TASK  
FORCE ON EDUCATION**

**PRESENTER:** **Marilyn Whitney, Office of the Governor**

Ms. Whitney gave an update on the implementation of task force recommendations and covered topics including:

- Mastery Based System
- Enrollment Model of Funding Schools
- Literacy Proficiency
- Advanced Opportunities/College and Career Advising
- State's Accountability Structure Involving Schools
- Empower Autonomy by Removing Constraints
- Training and Development of School Boards and School Leadership
- High Speed Bandwidth and Wireless Infrastructure
- Educator and Student Technology Devices

- Restoration of Discretionary Funding
- Career Ladder Compensation Model
- Tiered Licensure
- Idaho Core Standards
- Statewide Electronic Collaboration System
- Ongoing Job-Embedded Professional Learning and Teacher Mentoring
- Site-Based Collaboration Among Teachers and Instructional Leaders
- Provision of Enhanced Pre-Service Teaching Opportunities Through the State's Colleges of Education
- Participation in CCSSO's "Our Responsibility, Our Promise" Recommendations to Improve Teacher Preparation

**STAFF  
PRESENTATION:**

**REVISIT ITEMS IDENTIFIED DURING LAST SUMMER'S STATE BOARD OF EDUCATION, PUBLIC SCHOOL FUNDING FORMULA WORKGROUP**

**PRESENTER:**

**Blake Youde, Office of the State Board of Education**

Mr. Youde walked the committee through issues previously identified to be addressed when the public schools funding formula is updated, including:

- Virtual Schools
- At-Risk Students
- Average Daily Attendance (ADA) Versus Enrollment
- Exceptional Child (Special Education) Funding
- Superclassified Salary Apportionment

**FUTURE  
MEETINGS:**

The committee confirmed a September 27 meeting in Pocatello and an October 17 meeting in North Idaho.

**ADJOURNED:**

Co-chair Horman gave closing comments, and the meeting was adjourned at 2:45 pm.