



**STATE BOARD OF EDUCATION
TRUSTEES OF BOISE STATE UNIVERSITY
TRUSTEES OF IDAHO STATE UNIVERSITY
TRUSTEES OF LEWIS-CLARK STATE COLLEGE
BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO
STATE BOARD FOR PROFESSIONAL-TECHNICAL EDUCATION**

**APPROVED MINUTES
STATE BOARD OF EDUCATION
January 17, 2014
Special Board Meeting
Boise, ID**

A special meeting of the State Board of Education was held January 17, 2014 via teleconference. It originated from the Board office's large conference room in Boise Idaho. Board President Don Soltman presided and called the meeting to order at 9:00 a.m. MST. A roll call of members was taken and five members were present. Mr. Soltman requested the agenda be changed to start with the PPGA portion first.

Present:

Don Soltman, President
Milford Terrell
Bill Goesling

Richard Westerberg
Superintendent Tom Luna

Absent:

Rod Lewis, Secretary
Emma Atchley, Vice President

PLANNING, POLICY AND GOVERNMENTAL AFFAIRS (PPGA)

1. Legislative Update

M/S (Westerberg/Terrell): To authorize the Executive Director to work with the Governor's Office to modify the Charter Commission Legislation, RS 22450, in substantial conformance to the form submitted as attachment 1. The motion carried five to zero. Mr. Lewis and Ms. Atchley were absent from voting.

Ms. Bent reported that two Board bills, the proprietary schools bill and the liquor funds disbursement bill have both passed the first reading in the House Education Committee and were approved to go to print. She indicated Board staff has received feedback regarding the Charter School Commission legislation and added as a result, there is a proposal to amend the language originally approved by the Board. There were no questions for staff.

BUSINESS AFFAIRS AND HUMAN RESOURCES

1. Budget Update

Mr. Terrell asked Mr. Freeman from the Board office to provide an update to the budget request and Governor's recommendations, which includes significant new funding for higher education. Mr. Freeman indicated the Board members were provided with copies of a side-by-side comparison of the request and Governor's recommendations in their agenda materials, and proceeded to outline the highlights of the budget recommendations. Mr. Freeman reviewed the college and universities first. The amount of \$12.5 million that was requested for system-wide needs was not recommended by the Governor, but his recommendation did include \$15 million for all state agencies and institutions in the Permanent Building Fund Budget. This is a general fund transfer into the Permanent Building Fund for deferred maintenance. A request was made for the Higher Education Research Council for \$400,000 which included \$200,000 for and EPSCoR match and \$200 for Incubation Funds; the Governor's recommendation was for \$200,000 for the EPSCoR match. Mr. Freeman reported that under each of the institutions, the Board's number one priority line item was for a fund shift and change in CEC and benefits, which the Governor did not recommend. The Governor did recommend covering the employer's share of benefit cost increases which is not insignificant at \$1,450.00 per FTE. The Governor recommended partial funding for the 60% goal line item for a total of \$5 million for the four institutions which included an allocation for each institution. The Governor also recommended occupancy costs for those institutions who requested it which include BSU and ISU. There was also a Governor's initiative for \$1 million in on-going general funds for the Center for Advanced Energy Studies (CAES) split equally among the three universities. Lastly, UI's second year college of law request at \$400,000 was also recommended by the Governor.

Mr. Terrell asked about the deferred maintenance item and if the Board should make another request to the Governor on it. Mr. Freeman indicated how the \$15 million would be allocated if it is actually funded, wherein the universities could get an estimated amount of about 15% (\$2,225,000) and Lewis-Clark would get about 7.5% (\$1.12 million).

Mr. Freeman moved on to review the community college recommendations. The College of Southern Idaho (CSI) and the College of Western Idaho (CWI) both requested occupancy costs which the Governor recommended. The Governor approved funding to expand outreach centers for CSI and North Idaho College (NIC). CWI is also receiving some funding for a nursing program. Mr. Freeman reported that during the recession, Agricultural Research received significant reductions in funding. To restore operating expenses to Ag Research, the Governor is recommending \$1.5 million. Under the Health Education programs, the Governor has recommended the second year build-out for the WWAMI Trust seats, but did not recommend funding for another additional five seats. The Governor did recommend \$200,000 for the Kootenai Health Family Medicine Residency program.

Mr. Freeman went on to recap the funding request and Governor's recommendation for the Office of the State Board of Education. The Board office requested funding for a web developer position, which the Governor did not recommend. However, the Board office negotiated with the Division of Financial Management (DFM) to use a current vacant FTP and to transfer money from the system-wide needs budget to fund that position. Both DFM and the Governor are in agreement with the arrangement. For Professional-Technical Education (PTE), they requested almost \$1.7 million for an Advanced Manufacturing Initiative, and the Governor recommended \$1.3 million for the initiative.

Mr. Soltman asked about the additional five WWAMI seats and who would present that information to JFAC. Mr. Freeman responded that next Tuesday Dr. Mary Barinaga will be making that presentation. Mr. Goesling asked if we received any feedback from the Governor's

office about not funding the WWAMI seats. Mr. Freeman indicated their response was they want to wait one or two years to fund the next five WWAMI, in part because they just funded the five trust seats. Mr. Freeman pointed out the Board Office's response to DFM is that they don't want to lose momentum on the WWAMI seats.

DEPARTMENT OF EDUCATION

1. Superintendent of Public Instruction Legislation Update

Superintendent of Public Instruction, Tom Luna, provided an update on the State Department of Education's upcoming Legislation for 2014.

1) Fingerprinting – SDE will bring legislation to increase the fee charged for processing fingerprinting and background checks for school employees and certain school volunteers. The State Police instituted a fee increase through rule in 2011 without notifying SDE, resulting in a significant decrease in net fee revenues for SDE to operate this program. The increase requested going to be based on what the State Police charges and will help make up for the loss in fee revenues.

2) Payment Schedule – This is change to the schedule through which SDE distributes formula funds to school districts from five to four (presently August 15, October 1, November 15, February 15 and May 15). The change would delete October 1 and money normally distributed in the October payment would be re-allocated to the existing August and February payments. Doing this will decrease workloads and reduce the likelihood that SDE would overpay school districts or charter schools to the extent that it would have to request that money be returned to the state mid-year. This will help alleviate cash flow problems for districts.

3) Small District Alternative Schools – Currently, very small school districts that are protected by the minimum funding provisions for grades 7-12 can essentially force the state to double fund any students that they enroll in an alternative school. SDE will bring legislation to close this loophole.

4) Alternative School Hours – A long-repealed State Board rule allowed alternative schools to provide as few as 900 hours of instruction. Since this was repealed in the 1990's, statute has required grades 9-12 to provide at least 990 hours of instruction (with certain minor carve-outs for items such as professional development). SDE had inadvertently been approving alternative schools at the 900 hour requirement in the years since. SDE will bring legislation to reduce the alternative school instruction requirement to 900 hours. If this is unsuccessful, SDE will notify all school districts through the post-legislative tour meeting that the requirement going forward will be 990 hours, as required by code.

5) Instructional Staff Hired after October 15 – SDE will bring legislation to allow school districts to count, for funding purposes, teachers hired after October 15 if the position had previously been listed, and counting the hire would help prevent the school district from suffering a financial penalty under the state's "use it or lose it" funding provision for instructional staff.

6) Lottery Dividend – Removes the sunset on legislation that has provided funding for the Public Schools' Bond Levy Equalization program from State Lottery revenues. This bill would keep what the Department has been doing the last few years for one more year.

7) Curriculum Local Control – Legislation to clarify that curriculum and textbook decisions are ultimately made at the local level by local boards.

8) Health Insurance Line Item – SDE is working with legislators to create a line item for health insurance costs in the Public Schools budget, funded with money currently designated as discretionary funds (which is where school districts currently get the money to pay for health insurance), and then basing future increases in this line item on any increases in the amount that the state provides for health insurance per state employee.

9) Sick Leave – Currently, if a school district employee comes to SDE their sick leave transfers to the state. If a state employee, who has worked at the Department, leaves the state employment and returns to the district they may lose their sick leave balance. In addition, if a district employee comes to work for the Department, they must work for the state for five years in order to have access to their accumulated sick leave for retirement purposes. He provided some examples of the problems this situation has resulted in and clarified this bill would rectify both those provisions.

2. IDAPA 08.02.03.111 Request for Waiver

M/S (Luna/Goesling): To waive IDAPA 08.02.03.111.06 subsections j and k to allow flexibility for districts to choose whether to field test grades 9 and/or 10 and to require 11th graders to be field tested. The motion carried five to zero. Mr. Lewis and Ms. Atchley were absent from voting.

Mr. Luna indicated the Department is moving toward the field test portion of the SBAC test. The test has been piloted in about 120 schools last spring. The plan is to field test it in all of the schools this spring, and then have an operational test a year from now. The field tests would be in grades 3-8 and 11, and in an effort to address concerns, districts would have the flexibility option to test 9th and 10th graders.

Mr. Westerberg asked if there was a reason for testing 11th graders rather than 10th. Mr. Luna responded that as we move toward a college and career ready standard, 11th grade is a more appropriate measure for determining if students are on track and college and career ready. Mr. Westerberg suggested testing 10th graders would provide a better result for when students actually take the real test as 11th graders, giving them some exposure for testing in advance of 11th grade. Mr. Luna responded one of the reasons for 11th grade is the flexibility and to set cut scores, and provided additional supporting details for testing the 11th graders.

Mr. Soltman asked if this rule was only for the field test year. Mr. Luna responded it is only applicable to the field test year. He indicated that after the results of the field test are available, they may make changes to the rule.

Other Business:

There being no further business, a motion to adjourn was entertained.

M/S (Terrell/Goesling): To adjourn the meeting at 9:48 a.m. The motion carried unanimously.