SUBJECT
Legislative Update

REFERENCE
January 4, 2018 The Governor, C.L. “Butch” Otter, met with the State Board of Education to discuss his vision for implementation of the Higher Education Task Force recommendations.

August 2017 Board approved legislation establishing advising criteria for state funded dual credit course and credit bearing exams.

BACKGROUND/DISCUSSION
As follow-up to the January 4, 2018 Special Board Meeting the Board is being asked to consider support of the Governor’s Fiscal Year 2019 state budget recommendation pertaining to a new executive staff position and proposed legislation to further implementation of the Higher Education Task Force recommendations. In addition to the budget recommendation the governor is proposing amendments to Idaho Code pertaining to the Board’s executive staff, the Opportunity Scholarship, and the state funded Advanced Opportunities Program. The Board has been asked to consider support of each of the items.

The Governor’s budget recommendation includes 1.0 full-time positions (FTP) and $269,500 from the General Fund for the position. Of the recommended $269,500, $254,500 is ongoing funds for personnel costs, $13,000 is ongoing funds for operating expenses and $2,000 is in onetime funds for capital outlay. In addition to the budget recommendation, the Governor is proposing amendments to Section 33-102A, Idaho Code (Attachment 1) to expand the Board’s hiring authority from an “executive officer” to “executive staff.” The additional FTP would be responsible for implementing the recommendations of the Higher Education Task Force, including the creation of an integrated higher education system for the purpose of eliminating inefficiencies and generating cost savings.

In addition to the budget recommendation and additional FTP, to further the implementation of the task for recommendations the Governor is proposing amendments to the Opportunity Scholarship (Attachment 2) to allow for 20% of the funds available for the Opportunity Scholarship to be awarded to adult students who have earned a minimum of 24 credits. The intent of the amendments is to provide financial incentive and remove barriers for adults who have some college but no degree to complete and earn a certificate or degree.

The third proposed legislative amendments would amend the state funded Advanced Opportunities Program by establish eligible courses and credit bearing exam requirements. The intent of the provisions are to ensure students and parents are informed about how dual credit courses or credits earned through exams will impact the students postsecondary goals.
IMPACT

Board support will allow Board staff to inform state policy makers on the Board’s formal action and authorize Board staff to work with the Governor’s Office to advocate for the Board’s position.

ATTACHMENTS

Attachment 1 – Executive Staff - Draft Page 5
Attachment 2 – Opportunity Scholarship Page 7
Attachment 3 – Advanced Opportunities Page 11

STAFF COMMENTS AND RECOMMENDATIONS

The proposed Executive Staff legislation, Attachment 1, will amend Section 33-102A, Idaho Code, Office of the State Board of Education – Executive Officer, to authorize the State Board of Education to hire “executive staff” rather than a single “executive officer.” The proposed amendment is companion legislation to the Governor’s budget recommendation targeting the implementation of the Higher Education Task Force Recommendation 1, “Efficiencies, Cost Savings and Service” and moving toward a more integrated, centralized and student-centric higher education system.

The proposed Opportunity Scholarship legislation, Attachment 2, will amend Section 33-4303, Idaho Code, Idaho Opportunity Scholarship, to authorize up to 20% of the funds available for the scholarship program to be used for students who have earned 24 or more credits toward a postsecondary certificate or degree. Student eligibility requirements, application processes and student selection process will be established through administrative rule should the legislation be enacted. Staff recommends support.

The proposed Advanced Opportunities legislation, Attachment 3, will amend Section 33-4602, Idaho Code, Advanced Opportunities – Rulemaking, to establish eligible course and credit bearing exam requirements, a timeline for students to apply for the advanced opportunities scholarship, and makes technical corrections. Specific amendments include:

- expanding the eligible credit bearing exams to include assessments that lead to a badge recognized by the Division of Career Technical Education.
- specifying that dual credit courses must be a core foundation course, credit-bearing 100 level or higher, or be part of a postsecondary pathway toward earning a badge, certificate or degree
- elective courses may be taken for the purpose of career exploration and may not exceed fifteen (15) elective credits.

At the Board’s August regular Board meeting the Board approved legislation amending Section 33-4602, Idaho Code, Advanced Opportunities – Rulemaking. The proposed amendments approved by the Board at this time required students to receive advising on how the course would align to the students learning plan, postsecondary goals, progress toward earning a certificate or degree, and impact
on postsecondary financial aid. This proposed legislation approved by the Board did not make it through the Executive Agency Legislation process. Staff recommends support of the new legislation.

BOARD ACTION

I move to support the Governor’s budget recommendation for an executive staff position, and the proposed companion legislation in substantial conformance to the legislation provided in Attachment 1.

Moved by _________ Seconded by _________ Carried Yes _____ No _____

I move to support the proposed Advanced Opportunities legislation in substantial conformance to the legislation provided in Attachment 2.

Moved by _________ Seconded by _________ Carried Yes _____ No _____

I move to support the proposed Opportunities Scholarship legislation in substantial conformance to the legislation provided in Attachment 3.

Moved by _________ Seconded by _________ Carried Yes _____ No _____

OR

I move to support the Governor’s budget recommendation for an executive staff position, and the proposed legislation in substantial conformance to the form provided in Attachments 1 through 3.

Moved by _________ Seconded by _________ Carried Yes _____ No _____
STATEMENT OF PURPOSE

The legislation will authorize the State Board of Education to restructure the staff of the State Board of Education to support implementation of the Higher Education Task Force recommendations. Additional FTP will still require approval by the Idaho Legislature through the annual budget process.

FISCAL NOTE

The Governor’s Fiscal Year 2019 budget recommendation includes $269,500 for 1.0 FTP to allow the State Board of Education to hire an executive staff member to lead the implementation of the recommendations of the Higher Education Task Force including the effort to implement a shared services operation to consolidate administrative functions across higher education such as information technology, finance, human resources and procurement.

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33-102A. OFFICE OF THE STATE BOARD — EXECUTIVE OFFICER—STAFF — APPOINTMENT — COMPENSATION — DUTIES AND POWERS. There is hereby created as an executive agency of the state board of education the office of the state board of education. The state board of education is hereby authorized to appoint an executive officer staff of the state board who shall serve at the pleasure of the state board and shall receive such salary as fixed by the state board. The executive secretary may be appointed as the executive officer. The executive officer staff shall, under the direction of the state board, have such duties and powers as prescribed by the said board of regents and the state board of education, not otherwise assigned by law.
STATEMENT OF PURPOSE

RS25719

To add a provision to the Idaho Opportunity Scholarship to allow up to twenty percent (20%) of funds appropriated for the program to be awarded to adult students who have earned at least 24 credits and who are completing their first undergraduate degree or certificate at an eligible Idaho postsecondary educational institution. Providing a financial incentive for adults who have some college but no degree to finish a postsecondary program was a unanimous recommendation of the Governor’s 2017 Higher Education Task Force.

FISCAL NOTE

The Governor has recommended an additional $5 million for the Opportunity Scholarship. This legislation would allow the State Board of Education to award up to twenty percent (20%) of funds appropriated for the Opportunity Scholarship to adults returning to complete a degree or certificate.

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AN ACT

RELATING TO THE IDAHO OPPORTUNITY SCHOLARSHIP; AMENDING SECTION 33-4303, IDAHO CODE, TO PROVIDE THAT CERTAIN FUNDS MAY BE USED FOR SCHOLARSHIP AWARDS TO ADULT STUDENTS MEETING CERTAIN CRITERIA AND TO MAKE TECHNICAL CORRECTIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 33-4303, Idaho Code, be, and the same is hereby amended to read as follows:

33-4303. IDAHO OPPORTUNITY SCHOLARSHIP. (1) The purposes of this section are to:
(a) Recognize that all Idaho citizens benefit from an educated citizenry;
(b) Increase individual economic vitality and improve the overall quality of life for many of Idaho's citizens;
(c) Provide access to eligible Idaho postsecondary education through funding to remove financial barriers;
(d) Increase the opportunity for economically disadvantaged Idaho students; and
(e) Incentivize students to complete a postsecondary education degree or certificate.
(2) For the purposes of this section, the following definitions shall apply:
(a) "Educational costs" means the dollar amount determined annually by the state board of education as necessary for student tuition, fees, books and such other expenses reasonably related to attendance at an eligible Idaho postsecondary educational institution.
(b) "Eligible Idaho postsecondary educational institution" means a public postsecondary organization governed or supervised by the state board, the board of regents of the university of Idaho, a board of trustees of a community college established pursuant to the provisions of chapter 21, title 33, Idaho Code, or the state board for career technical education or any educational organization located in Idaho that is:
   (i) Operated privately;
   (ii) Classified as not-for-profit under state law;
   (iii) Under the control of an independent board and not directly controlled or administered by a public or political subdivision; and
   (iv) Accredited by an organization recognized by the state board as provided in section 33-2402, Idaho Code.
(c) "Eligible student" means a student who:
(i) Is an Idaho resident as defined in section 33-3717B, Idaho Code;
(ii) Has graduated or will graduate from an accredited high school or its equivalent in Idaho as determined by the state board;
(iii) Has enrolled or applied to an eligible Idaho postsecondary educational institution;
(iv) Is a postsecondary undergraduate student who has not previously completed a baccalaureate (bachelor's) degree or higher; and
(v) Meets need and merit criteria as set by the state board.

"Eligible student" also means a student who has met the eligibility requirements and was awarded an opportunity scholarship prior to June 30, 2014. Continued eligibility shall be based upon the eligibility requirements at the time of the original award.

(d) "Opportunity scholarship program" means the scholarship program described in this section and in the rules established by the state board.

(e) "Shared model of responsibility" means a model set by the board to determine the required and expected contributions of the student, the student's family and available federal financial aid.

(f) "State board" means the state board of education.

(3) The state board shall promulgate rules to determine student eligibility, academic and financial eligibility, a process for eligible students to apply, amount of awards, how eligible students will be selected and when the awards shall be made, as well as other rules necessary for the administration of this section.

(4) An eligible student must:
(a) Apply or have applied for federal student financial assistance available to an eligible student who will attend or is enrolled in an eligible Idaho postsecondary educational institution; and
(b) Meet need and merit criteria established by the state board in rule.

(5) Funds that are available for the opportunity scholarship program shall be used to provide scholarships based upon a shared model of responsibility between the scholarship recipient and the recipient's family, the federal government and the participating eligible Idaho postsecondary educational institution that the recipient attends for covering the educational costs.

(6) Up to twenty percent (20%) of funds that are available for the opportunity scholarship program may be used for awards to adult students who have earned at least twenty-four (24) credits toward a postsecondary degree or certificate and who return to an eligible Idaho postsecondary educational institution to complete a certificate or degree.

(7) The opportunity scholarship award shall not exceed the actual educational costs at the eligible Idaho postsecondary educational institution that the student attends. The amount of scholarship shall not exceed the educational costs established by the state board.

(8) Award payments shall be made annually to an eligible Idaho postsecondary educational institution. In no instance may the entire amount of an award be paid to or on behalf of such student in advance.
(§2) If an eligible student becomes ineligible for a scholarship under the provisions of this chapter, or if a student discontinues attendance before the end of any semester, quarter, term or equivalent covered by the award after receiving payment under this chapter, the eligible Idaho post-secondary educational institution shall remit, up to the amount of any payments made under this program, any prorated tuition or fee balances to the state board.

(§10) There is hereby created an account in the state treasury to be designated the opportunity scholarship program account.

(a) The account shall consist of moneys appropriated to the account by the legislature, moneys contributed to the account from other sources and the earnings on such moneys. The executive director of the state board may receive on behalf of the state board any moneys or real or personal property donated, bequeathed, devised or conditionally granted to the state board for purposes of providing funding for such account. Moneys received directly or derived from the sale of such property shall be deposited by the state treasurer in the account.

(b) Earnings from moneys in the account or specified gifts shall be distributed annually to the state board to implement the opportunity scholarship program as provided for under the provisions of this chapter.

(c) All moneys placed in the account and earnings thereon are hereby perpetually appropriated to the state board for the purpose described in subsection (9) paragraph (b) of this subsection. All expenditures from the account shall be paid out in warrants drawn by the state controller upon presentation of the proper vouchers. Up to fifty thousand dollars ($50,000) of the annual earnings distribution to the state board may be used by the state board annually for administrative costs related to the implementation of the provisions of this chapter.

(d) Allowable administrative costs include, but are not limited to, operating expenses for the implementation and maintenance of a database, operating expenses to administer the program, personnel costs necessary to administer the program and costs related to promoting awareness of the program.

(e) Any unused annual funds shall be deposited into the opportunity scholarship program account.

(f) Pending use, surplus moneys in the account shall be invested by the state treasurer or endowment fund investment board in the same manner as provided under section 67-1210 or 68-501, Idaho Code, as applicable. Interest earned on the investments shall be returned to the account.

(101) The effectiveness of the Idaho opportunity scholarship will be evaluated by the state board on a regular basis. This evaluation will include annual data collection as well as longer-term evaluations.
STATEMENT OF PURPOSE

RS25720

To add provisions to the Advanced Opportunities Section of Code to clarify what postsecondary courses or credit-bearing examinations qualify for state funding. The provisions will ensure that students and parents are making informed and purposeful decisions about what courses and exams to pursue and how those courses and exams will transfer to a postsecondary course of study leading to a badge, certificate or degree.

FISCAL NOTE

There is no fiscal impact anticipated associated with these changes. An increased appropriation of $8 million has been recommended to address growth in the Advanced Opportunities program.

Contact:

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AN ACT

RELATING TO THE ADVANCED OPPORTUNITIES SCHOLARSHIP; AMENDING SECTION 33-4602, IDAHO CODE, TO PROVIDE ELIGIBILITY REQUIREMENTS FOR DUAL CREDIT COURSES AND POSTSECONDARY CREDIT-BEARING EXAMINATIONS TO QUALIFY FOR THE ADVANCED OPPORTUNITIES SCHOLARSHIP, TO PROVIDE THAT A STUDENT MUST APPLY FOR THE SCHOLARSHIP WITHIN TWO YEARS OF GRADUATION FROM A PUBLIC SCHOOL AND TO MAKE TECHNICAL CORRECTIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 33-4602, Idaho Code, be, and the same is hereby amended to read as follows:

33-4602. ADVANCED OPPORTUNITIES -- RULEMAKING. (1) Students attending public schools in Idaho will be eligible for four thousand one hundred twenty-five dollars ($4,125) to use toward overload courses, dual credits, college credit-bearing examinations and professional certificate examinations. Students may access these funds in grades 7 through 12 for:
(a) Overload courses, the distribution of which may not exceed two hundred twenty-five dollars ($225) per overload course. A student must take and successfully complete an overload course within a given school year to be eligible for funding of an overload course. An overload course must be taken for high school credit to be eligible for funding.
(b) ELIGIBLE DUAL CREDITS, the distribution of which may not exceed seventy-five dollars ($75.00) per one (1) dual credit hour.
(c) Eligible college postsecondary credit-bearing or professional certificate examinations.
(2) To qualify as an eligible overload course for the program, the course must be offered by a provider accredited by the organization that accredits Idaho high schools and be taught by an individual certified to teach the grade and subject area of the course in Idaho. Eligible examinations include advanced placement (AP), international baccalaureate (IB), college-level examination program (CLEP) and professional career technical examinations, including assessments that lead to a badge recognized by the division of career and technical education. The state department of education shall maintain a list of such examinations and costs.
(3) To qualify as an eligible dual credit course, the course must be:
(a) A core foundational course;
(b) A credit-bearing 100 level course or higher;
(c) An elective course taken for the purpose of career exploration. A student may not exceed fifteen (15) elective postsecondary credits for purposes of this section; or
(d) Part of a postsecondary pathway toward earning a badge, certificate or degree.
(4) These moneys may be used to pay an amount not to exceed the price to the student of such courses and examinations pursuant to the limitations stated in this subsection. Payments made under this subsection shall be made from the moneys appropriated for the educational support program. No later than January 15, the state department of education shall annually report to the education committees of the senate and the house of representatives details regarding the number of students benefiting from assistance with the cost of overload courses, dual credit courses and examinations, the number of credits awarded and amounts paid pursuant to this subsection during the previous school year.

(45) The board of each public school may set forth criteria by which a student may challenge a course. If a student successfully meets the criteria set forth by the board of the public school, then the student shall be counted as having completed all required coursework for that course. The public school, with the exception of Idaho tribal schools, shall be funded for such students based upon either actual hours of attendance or the course that the student has successfully passed, whichever is more advantageous to the public school, up to the maximum of one (1) full-time student.

(56) Any student who successfully completes public school grades 1 through 12 curriculum at least one (1) year early shall be eligible for an advanced opportunities scholarship. The scholarship may be used for tuition and fees at any Idaho public postsecondary educational institution. The amount of the scholarship shall equal thirty-five percent (35%) of the statewide average daily attendance-driven funding per enrolled pupil for each year of grades 1 through 12 curriculum avoided by the student’s early graduation. Each public school shall receive an amount equal to each such awarded scholarship for each student that graduates early from their that public school. Students must apply for the scholarship within two (2) years of graduating from a public school.

(67) The state department of education shall reimburse public schools or public postsecondary educational institutions, as applicable, for such costs, up to the stated limits, within one hundred twenty-five (125) days of receiving the necessary data upon which reimbursements may be paid. The submission method and timelines of reimbursement data shall be determined by the state department of education. Payments will be made only for activity occurring and reported within each fiscal year.

(78) For public funding purposes, average daily attendance shall be counted as normal for students participating in dual credit courses pursuant to this section.

(89) If a student fails to earn credit for any course for which the department has paid a reimbursement, the student must pay for and successfully earn credit for one (1) like course before the state department of education may pay any further reimbursements for the student. If a student performs inadequately on an examination for which the state department of education has paid a reimbursement, the public school shall determine whether the student must pay for and successfully pass such examination to continue receiving state funding. Repeated and remedial courses or examinations are not eligible for funding through these programs.

(910) The state department of education shall reimburse community colleges or counties, as applicable, for any out-of-district county tuition
payments that would otherwise be made by a county to a community college pursuant to section 33-2110A, Idaho Code. Such reimbursements shall be in an amount not to exceed fifty dollars ($50.00) per credit hour and only for dual credit courses taken pursuant to this section.

(101) Public schools shall establish timelines and requirements for participation in the program, including implementing procedures for the appropriate transcription of credits, reporting of program participation and financial transaction requirements. Public schools shall make reasonable efforts to ensure that any student who considers participating in the program also considers the challenges and time necessary to succeed in the program and schools shall make reasonable efforts to include guidance on how the student's participation in the program contributes to prospective college and career pathways. Such efforts by the district shall be performed prior to a student participating in the program and throughout the student's involvement in the program.

(112) Policies and procedures for participating in the program established by the public school must be such that students have an opportunity to participate in the program and meet district-established timelines and requirements for financial transactions, transcribing credits and state department of education reporting. Participation in this program requires parent and student agreement to program requirements and completion of the state department of education's participation form documenting the program requirements.

(123) Parents of participating students may enroll their child in any eligible course, with or without the permission of the public school in which the student is enrolled. Tribal school students must follow their schools' enrollment policies and procedures. Public school personnel shall assist parents in the process of enrolling students in such courses. Each participating student's high school transcript at the public school at which the student is enrolled shall include the credits earned and grades received by the student for any overload or dual credit courses taken pursuant to this section. For an eligible course to be transcribed as meeting the requirements of a core subject as identified in administrative rule, the course must meet the approved content standards for the applicable subject and grade level.

(134) Participating public schools shall collaborate with Idaho public postsecondary educational institutions to assist students who seek to participate in dual credit courses or graduate from high school early by enrolling in postsecondary courses. Participating school districts, charter schools and Idaho public postsecondary educational institutions shall report to the state board of education and the education committees of the senate and the house of representatives any difficulties or obstacles they experience in providing assistance to participating students.

(145) The state board of education may promulgate rules to implement the provisions of this chapter.