

**MINUTES OF THE
PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE MEETING**

Room 445, State Capitol
February 15, 2012

Members Present: Sen. Howard A. Stephenson, Co-Chair
Rep. Merlynn T. Newbold, Co-Chair
Rep. Ken Sumsion, House Vice Chair
Sen. Stuart Adams
Sen. Lyle Hillyard
Sen. Mark Madsen
Sen. Karen Morgan
Sen. Aaron Osmond
Sen. Daniel Thatcher
Rep. LaVar Christensen
Rep. Tim Cosgrove
Rep. Steve Eliason
Rep. Francis Gibson
Rep. Steve Handy
Rep. Ken Ivory
Rep. Carol Spackman Moss
Rep. Jim Nielson
Rep. Marie Poulson

Members Excused: Rep. Greg Hughes

Staff Present: Mr. Ben Leishman, Legislative Fiscal Analyst
Mr. Thomas Young, Legislative Fiscal Analyst
Ms. Wendy Hill, Secretary

A copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov. A list of visitors and a copy of handouts are filed with the subcommittee minutes.

Co-Chair Newbold called the meeting to order at 5:15 pm.

1. Prioritized Rankings - Ongoing List

Co-Chair Newbold discussed the priority list based on committee member's submissions. item 19, H.B. 115, was placed on the Ongoing List by error. Rep. Moss asked for it to be moved to the One-time List. item 18 and item 22 did not have the amount of funding listed because of varying amounts submitted by the committee. Co-Chair Newbold recommended allowing the Executive Appropriation Committee decide the funding on those items. Co-Chair Stephenson asked for the priority list to be posted online. Co-Chair Stephenson said

funding for line 18 was originally \$10 million. Sen. Osmond said S.B 76 funding will be about \$15-20 million.

MOTION: Co-Chair Stephenson moved that the Executive Appropriation Committee be allowed to decide on the two items with question marks, item 18 and item 22.

The motion passed with Rep. Ivory and Rep. Nielson voting in opposition and Sen. Adams, Sen. Hillyard absent for the vote.

MOTION: Co-Chair Stephenson moved to send the Ongoing List to the Executive Appropriation Committee as prioritized.

Mr. Thomas Young, Legislative Fiscal Analyst explained how the list was prioritized.

MOTION: Sen. Osmond moved a substitute motion to approve the priority list but move item 19 to the One-time List.

Rep. Nielson asked about class size reduction money being added to item two, the WPU value. Co-Chair Newbold said that would be a reallocation and would be discussed later.

Spoke against the motion: Rep. Gibson

Co-Chair Newbold noted that when the WPU is increased it increases funding to all programs that use a WPU formula.

Rep. Ivory asked about clarification on the A-T List on page two. He commented on Utah College of Applied Technology (UCAT) funding. Mr. Leishman said the item on the Ongoing List would reinstate language to count students in the Average Daily Membership (ADM) when they leave and go to a UCAT campus, the item on the One-time List prohibits schools from counting these students in their ADM but provides a phase down.

Sen. Morgan asked about the amount of money for the POPS funding. Co-Chair Stephenson said an average from the committee was used to come up with the amount. Mr. Leishman indicated the amount came from the Co-Chair list and the amount may be changed by the committee.

Sen. Osmond clarified his motion. The motion is on the prioritization not on the amounts. Co-Chair Newbold restated the substitute motion as removing item 19 and voting on the Ongoing List as written. The motion passed in the Senate and failed to pass in the House with Sen. Madsen, Co-Chair Stephenson, Sen. Thatcher, and Rep. Sumsion voting in favor and Sen. Adams and Sen. Hillyard absent for the vote.

MOTION: Sen. Osmond moved to change line item 19 from the Ongoing List to the One-time List.

The voting was unanimous with Sen. Adam and Sen. Hillyard absent for the vote.

MOTION: Sen. Morgan moved to change the amount on line 11 from \$300,000 to \$600,000.

Spoke to the motion: Sen. Madsen, Rep. Nielson

Spoke against the motion: Rep. Ivory, Sen. Thatcher

Rep. Cosgrove asked for the amount of growth in the education fund from last year. Mr. Young said it was between six and seven percent, about \$160 million. Rep. Cosgrove felt more funds should go to education. Rep. Poulson asked how the amount of funding was decided for items on the Ongoing List. Co-Chair Newbold said the staff had used the Co-Chair list. Co-Chair Stephenson asked what percent increase the \$300,000 is for the POPS program. Mr. Leishman said it is a ten percent increase.

The motion failed in the Senate and the House with Sen. Osmond, Sen. Morgan, Rep. Cosgrove, Rep. Gibson, Rep. Moss and Rep. Poulson voting for the motion and Sen. Hillyard absent for the vote.

Sen. Morgan discussed line three and the Flexible Allocation. Mr. Leishman said this number does not reflect the amount of money going to school districts for retirement. Last year most of the Flexible Allocation was moved into the WPU Value this is a remaining amount from last year. This money would equalize the WPU Value for Special Education and Career and Technical Education (CTE).

Rep. Sumsion commented on shifting funds and allowing the districts to allocate the funds properly. Rep. Gibson asked how districts would fund the increased retirements costs and where the additional \$24 million was going. Co-Chair Newbold said it is the school district's decision to fund those costs.

Rep. Nielson commented on the increase to the education fund, the increase to the WPU, funding growth and giving flexibility in funds given to local school districts.

Rep. Handy asked for clarification from the Utah State Office of Education (USOE) on line two and the impact of a one percent increase in the WPU. Mr. Todd Hauber, Associate Superintendent for Business Services, Utah State Office of Education said there are expectations that this money would be used for salaries and retirement cost increases. Fixed retirement costs are at 1.6 percent, a two percent increase is needed to manage the retirement costs and provide a salary increase. Co-Chair Newbold asked about the Professional Staff increases when the WPU is increased. Mr. Hauber didn't have a projection on it. Co-Chair Stephenson asked if the Executive Appropriation Committee has the prerogative in regard to employee compensation and WPU Values increases. Mr. Leishman said that is correct. Co-Chair Stephenson spoke of including intent language to provide funding for benefits that are similar to state workers. Co-Chair Newbold restated that Co-Chair Stephenson would like to

add to a previous motion that besides the items listed on our sheet the committee's desire is money be added to the budget that allows public education employees to be treated at least at the same rate as public employees.

MOTION: Sen. Thatcher moved a substitute motion to approve the Ongoing List, include Co-Chair Stephenson's intent language and if there is any additional funding it is to be placed in the WPU Value to give discretionary spending to the district.

Rep. Sumsion spoke about solving the problem with pension plan funds, the unfunded liability of billions of dollars and the volatility of the stock market.

Spoke for the motion: Sen. Adams, Rep. Gibson,

Spoke to the motion: Rep. Ivory, Rep. Eliason

Co-Chair Stephenson said the Legislature does not decide if the funds will be spent by local districts and charter schools for a pay increase or for retirement. The intent language expresses boldly the committee's desire.

The motion passed with Sen. Morgan, Rep. Cosgrove, Rep. Moss and Rep. Poulson voting in opposition and Sen. Hillyard absent for the vote.

2. Minutes

MOTION: Co-Chair Stephenson moved to approve the minutes for January 30, 2012 and February 2, 2012 meetings. The motion passed unanimously with Sen. Hillyard and absent for the vote.

3. One-time Funding List

MOTION: Rep. Eliason moved to take line C, H.B. 149 Online Education Survey in the amount of \$40,000 and move it to the One-time List, line 8a.

Spoke for the motion: Rep. Gibson

MOTION: Rep. Moss moved a substitute motion to place line 19, H.B. 115 Peer Assistance and Review Pilot Program in the amount of \$300,000 on the Ongoing List, to the One-time List on line 10a and include the original motion from Rep. Eliason the motion passed unanimously with Sen. Hillyard and absent for the vote.

MOTION: Sen. Morgan moved to place as item 15 on the One-time List, S.B. 81 Paraeducator Funding in the amount of \$500,000.

Spoke for the motion: Sen. Hillyard

The motion passed with Sen. Madsen, Rep. Gibson, Rep. Ivory, Rep. Nielson and Rep. Sumsion voting in opposition and with Sen. Hillyard and absent for the vote.

4. Intent Language

Co-Chair Newbold discussed the green sheet with the intent language, items were contained in the green binder used during the committee meetings. Mr. Leishman explained the intent language from the In-depth Budget Review. The sheet includes Fees, Indirect Cost Pool rate changes, Federal Funds, Basic Levy Tax rate and estimated revenue, Budget Adjustments, USOE structure changes, Electronic High School funding, item nine should be removed because it has been completed and item ten allows staff to prepare a report.

MOTION: Co-Chair Stephenson moved the pages of intent language be passed, except item nine as described by staff.

Spoke to the motion: Sen. Hillyard

Mr. Leishman explained the change in funding for the Electronic High School. Sen. Hillyard expressed concern about enough funding. Co-Chair Stephenson said an amendment to S.B. 65 (2011 General Session) was coming forth to restore funding to satisfy the Electronic High School budget. This change is necessary to be in conformance with statute.

MOTION: Co-Chair Stephenson amended his motion to include a reduction of funds for the Electronic High School in the amount of \$956,800, leaving funds of one million dollars.

Spoke to the motion: Sen. Osmond

MOTION: Sen. Moss moved to divide the motion by voting item number eight separately.

Spoke to the motion: Rep. Gibson

The vote was unanimous.

Rep. Nielson called the question. The voting passed with Rep. Cosgrove, Rep. Gibson, Rep. Ivory, Rep. Moss and Co-Chair Newbold voting in opposition.

The motion passed on the intent language except for items eight and nine, with Rep. Cosgrove, Rep. Gibson, Rep. Ivory, Rep. Moss and Rep. Sumsion voting in opposition.

Co-Chair Stephenson asked for clarification from the USOE on funding for the Electronic High School. Superintendent Shumway said further discussion was needed about the funding.

MOTION: Rep. Gibson moved to go to the next item until item eight was clarified by the USOE.

Spoke against the motion: Rep. Nielson

Sen. Osmond informed the committee that Ms. Brenda Hales, Associate Superintendent, Utah State Office of Education gave the Senate Education Committee a presentation on the Electronic High School. One million dollars was requested for the program.

Rep. Gibson withdrew his motion.

MOTION: Co-Chair Stephenson moved to approve the language in item eight and reduce funding to the Electronic High School by removing \$956,800.

Spoke against the motion: Sen. Morgan

Spoke to the motion: Sen. Hillyard

The motion passed with Sen. Morgan, Rep. Cosgrove and Rep. Moss voting in opposition.

4. Proposed Statutory/Intent Language

Mr. Leishman explained items on the yellow sheet. Career and Technical Education (item four) pertained to classes offered at a regional Utah System of Higher Education (USHE) or Utah College of Applied Technology (UCAT) campuses. If a duplicate class was offered at a high school, the high school would not receive the CTE Add-on funding for the class. The USOE was asked to develop a student based distribution system relative to the cost of programs that works within the existing budget.

MOTION: Sen. Adams moved the Proposed Statutory/Intent Language List be passed except for item number five.

Spoke against the motion: Sen. Hillyard

Sen. Thatcher called the question.

The motion failed with Co-Chair Stephenson, Sen. Adams and Sen. Madsen voting for the motion.

Rep. Handy opposed the language on item one because the language was too broad to fit all the impacted schools. Sen. Hillyard found conflict between item one and three. Mr. Leishman explained that item three would allow high schools to receive temporary funding for students at UCAT campuses until their budgets could be adjusted.

Mr. Leishman explained item two, Allocation of Funding. This item takes into account the cost of different classes and allows more money to go to the classes that need more funding. Co-Chair Stephenson asked if the language asks the Utah State Board of Education (USBE) to bring recommendations or to act to differentiate the funding.

MOTION: Co-Chair Stephenson moved that the concept language asks the USBE to make recommendations to the Legislature on how the funds should be used.

Spoke against the motion: Rep. Moss

Sen. Stephenenson gave an example of the difference in expense of classes.

MOTION: Sen. Hillyard moved a substitute motion to include Co-Chair Stephenson motion as well as the words higher cost and higher demand programs.

Rep. Eliason asked if this takes away local control. Sen. Hillyard said Co-Chair Stephenson's motion still allowed local districts to make decisions regarding the programs. Sen. Morgan commented on concerns with the third bullet point.

The substitute motion passed with Sen. Morgan, Rep. Cosgrove, Rep. Moss and Rep. Poulson voting in opposition.

Mr. Leishman explained item three. This money is one time funding that is a phase down for the high schools that have students attending a UCAT facility.

MOTION: Sen. Thatcher moved the passing of item three.

MOTION: Rep. Cosgrove moved a substitute motion to go on to the next item on the List.

Spoke against the substitute motion: Co-Chair Stephenson

The substitute motion failed in the Senate those voting for the motion were Sen. Hillyard, Sen. Morgan, Rep. Cosgrove, Rep. Eliason, Rep. Gibson, Rep. Ivory, Rep. Moss, and Rep. Poulson. Those voting in opposition were Co-Chair Stephenson, Sen. Adams, Sen. Madsen, Sen. Osmond, Sen. Thatcher, Co-Chair Newbold, Rep. Sumsion, Rep. Christensen and, Rep. Handy, and Rep. Nielson.

Spoke for the original motion: Sen. Osmond

Spoke to the original motion: Sen. Hillyard

MOTION: Sen. Morgan moved a substitute motion to remove the first bullet point that states "Continue to disallow LEAs from counting students in ADM that leave a high school campus to attend a UCAT facility."

Spoke against the substitute motion: Sen. Thatcher, Sen. Madsen

Spoke for the substitute motion: Rep. Gibson

The substitute motion failed in the Senate with Sen. Hillyard, Sen. Morgan, Co-Chair Newbold, Rep. Cosgrove, Rep. Eliason, Rep. Gibson, Rep. Ivory, Rep. Moss, Rep. Nielson, and Rep. Poulson voting for the substitute motion with Sen. Adams and Rep. Christensen absent for the vote.

The motion to move concept three passed out favorably with Sen. Hillyard, Sen. Morgan, Rep. Cosgrove, Rep. Moss and Rep. Poulson voting in opposition with Sen. Adams and Rep. Christensen absent for the vote..

Mr. Leishman introduced item number four, under Charter schools. This language would phase out local replacement funding over a 13 year period.

MOTION: Rep. Poulson spoke in opposition to item four and moved to go to the next item.

Spoke against the motion: Co-Chair Stephenson

Spoke for the motion: Rep. Gibson

Spoke to the motion: Sen. Madsen, Co-Chair Newbold

The motion failed in the Senate with Sen. Morgan, Sen. Osmond, Co-Chair Newbold, Rep. Cosgrove, Rep. Gibson, Rep. Handy, Rep. Moss, and Rep. Poulson voting favorably with Sen. Adams and Rep. Christensen absent for the vote..

MOTION: Co-Chair Stephenson moved to pass item four.

The motion passed with Sen. Morgan, Sen. Osmond, Rep. Cosgrove, Rep. Gibson, Rep. Handy, Rep. Moss, and Rep. Poulson voting in opposition with Sen. Adams and Rep. Christensen absent for the vote..

Ron Bigelow, Executive Director, Governor's Office of Planning and Budget spoke to the committee. He said Governor Herbert, Ms. Christine Kearn, Education Deputy, Office of the Governor and himself have not taken any position regarding Charter Schools.

Mr. Leishman spoke about item five, start-up funding for charter schools.

MOTION: Sen. Hillyard moved to increase the funding to charter schools from \$2.3 million to \$2.5 million on line number four on the On-going List and support the concept of item five.

Spoke to the motion: Rep. Cosgrove

Spoke for the motion: Rep. Gibson

The motion passed unanimously with Sen. Adams and Rep. Christensen absent for the vote.

Mr. Leishman talked about item six, the Beverley Taylor Sorenson Elementary Arts Learning Program. It would require private dollars to match the entire appropriation given to schools. Sen. Hillyard asked if the private dollars can come from anyone. Co-Chair Newbold said the idea was for it to be similar to the POPS and iSee programs.

MOTION: Sen. Hillyard moved to approve item six.

Spoke to the motion: Sen. Morgan, Sen. Hillyard

The motion passed unanimously with Sen. Adams and Rep. Christensen absent for the vote.

Mr. Leishman introduced item seven, Early Intervention - Optional Extended-day Kindergarten. These funds would require implementation of an evidence based model.

MOTION: Sen. Thatcher moved to pass favorably item seven.

Spoke for the motion: Sen. Hillyard

Spoke to the motion: Rep. Cosgrove

The motion passed favorably with Rep. Cosgrove voting in opposition and with Sen. Adams and Rep. Christensen absent for the vote..

Mr. Leishman talked about item eight, Digital Safety. It required routing any internet devices through a school network filter.

MOTION: Co-Chair Stephenson moved to go to the next item in light of Sen. Osmond's bill that will address this issue.

The motion passed unanimously with Sen. Adams and Rep. Christensen absent for the vote.

Mr. Leishman spoke of item nine, student identification numbers for participants of UPSTART.

MOTION: Sen. Thatcher moved the adoption of item nine.

Spoke to the motion: Rep. Cosgrove, Co-Chair Stephenson

The motion passed unanimously with Sen. Adams and Rep. Christensen absent for the vote.

Item ten was introduced by Mr. Leishman. It requested the USBE to select an approved literacy software program for grades K-3, and evaluate it's performance.

Spoke to item ten: Rep. Eliason, Co-Chair Stephenson

Spoke against item ten: Rep. Nielson, Sen. Hillyard

MOTION: Co-Chair Stephenson moved to pass favorably item ten.

MOTION: Sen. Osmond moved a substitute motion to approve item ten but strike the second bullet point concerning components of the software.

Spoke for the substitute motion: Co-Chair Stephenson

Spoke against the substitute motion: Sen. Madsen, Sen. Morgan

The substitute motion failed with Sen. Hillyard, Sen. Osmond, Sen. Thatcher, Rep. Cosgrove, Rep. Handy, Rep. Ivory and Rep. Nielson voting favorably with Sen. Adams and Rep. Christensen absent for the vote.

MOTION: Co-Chair Stephenson moved to amend the underlying motion by striking the words in parenthesis in the second bullet, "phonics, phonemic awareness, vocabulary, comprehension and fluency" so the State Board will not be restricted in their choice of software.

The motion passed favorably with Rep. Cosgrove, Rep. Eliason, Rep. Ivory and Rep. Nielson voting in opposition with Sen. Adams and Rep. Christensen absent for the vote.

Mr. Leishman explained item eleven. This language directs the use of funds for an IT Academy funded through CTE programs in high schools. Rep. Cosgrove asked if obtaining employment by the student was necessary to obtain funding. Co-Chair Newbold said the intent is the training would lead to employment. Rep. Ivory asked for an explanation of IT Academy. Sen. Osmond said this program is a set curriculum that can be made available at any location.

MOTION: Sen. Hillyard moved to pass the concept items 11, 12, 13 and 14.

Spoke to the motion: Rep. Handy, Rep. Ivory, Rep. Moss, Rep. Cosgrove

The motion passed unanimously with Sen. Adams and Rep. Christensen absent for the vote.

MOTION: Rep. Ivory moved to add intent language to the yellow sheet.

1. A department or agency of the state, including a Local Education Agency (LEA), may not implement a directive from the federal government, with respect to the Common Core Curriculum, unless the department, agency or LEA first report its intent to implement the directive to the Legislature's Education Interim Committee.

The Education Interim Committee may in response to a report described in Subsection 1, recommend that the Legislature pass legislation specifically authorizing or prohibiting the compliance with a directive from the federal government with respect to the Common Core Curriculum.

2. The Legislature may pass legislation specifically authorizing or prohibiting the state's compliance with directive's from the federal government with respect to the Common Core Curriculum.

Co-Chair Newbold requested Rep. Ivory to only use concept language and not specific intent language until the Committee could have the language written.

Rep. Ivory changed his motion to add the above as concept language.

The motion passed with Sen. Morgan, Rep. Cosgrove, Rep. Moss and Rep. Poulson voting in opposition.

Co-Chair Stephenson spoke of an effective preschool program in Granite School District.

MOTION: Co-Chair Stephenson moved to recommend to the state board improve training for the advancement of the Headstart program.

Spoke to the motion: Sen. Osmond

Co-Chair Stephenson withdrew his motion because a future bill by Sen. Osmond would address the issue of a high quality preschool program.

Sen. Osmond expressed his frustration of the intent and concept language discussed in the meeting. Mr. Leishman said the intent language on the green sheet was included during the meetings and is in the budget briefs. Co-Chair Newbold said the concept language sheet on the yellow sheet was in past years prepared earlier and written as intent language. But because of the lack of time during this session it was submitted to the committee as concept language. Rep. Nielson asked about the class size reduction funding.

MOTION: Rep. Nielson moved that the funding used for class size reduction be added to item two on the On-going List, increasing the value of the WPU.

Spoke to the motion: Rep. Christensen

Spoke against the motion: Co-Chair Stephenson, Sen. Hillyard

5. Adjourn

MOTION: Sen. Hillyard moved a substitute motion to adjourn. The motion passed with Rep. Cosgrove voting in opposition and with Sen. Adams, Sen. Morgan, Rep. Christensen, Rep. Moss, Rep., Poulson, Rep. Sumsion absent for the vote.

Co-Chair Newbold adjourned the meeting at 8:52 pm.

Rep. Gibson commented on the ranking system and having time to see how committee members ranked certain items.

Minutes were reported by Ms. Wendy Hill, Senate Secretary

Sen. Howard A. Stephenson, Co-Chair

Rep. Merlynn Newbold, Co-Chair