

**MINUTES OF THE JOINT PUBLIC EDUCATION APPROPRIATIONS  
SUBCOMMITTEE  
FRIDAY, FEBRUARY 9, 2001  
ROOM 129, STATE CAPITOL BUILDING**

Members Present:        Sen. Howard Stephenson, Co-Chair  
                              Rep. Marda Dillree, Co-Chair  
                              Sen. Bill Hickman  
                              Sen. John Valentine  
                              Rep. Doug Agard  
                              Rep. Duane Bourdeaux  
                              Rep. Judy Ann Buffmire  
                              Rep. Glenn Donnelson  
                              Rep. James Ferrin  
                              Rep. Tom Hatch  
                              Rep. Brad King  
                              Rep. Karen Morgan  
                              Rep. J. Morgan Philpot  
                              Rep. John Swallow  
                              Rep. Glenn Way

Member Excused:        Sen. Karen Hale

Staff Present:            R. Michael Kjar, Legislative Fiscal Analyst  
                              Gary Ricks, Legislative Fiscal Analyst  
                              Nedra Duzett, Secretary

Public Speakers Present: Supt. Steve Laing, Utah State Office of Education  
                                  Kim Burningham, Chair, State Board of Education  
                                  Janet Cannon, Vice-Chair, State Board of Education  
                                  Dennis Morrell, State Board of Education  
                                  Judy Larsen, member, State Board of Education  
                                  Earl McCain, member Utah State Board of Education,  
                                  Teresa Theuer, member, Utah State Board of Education

1.     **Approval of Minutes** - No action was taken on the minutes.
  
2.     Supt. Steve Laing, Utah State Office of Education (USOE) commended the State Board of Education for their work and commented that the Board has become more active and focused on making decisions which represent the needs of the students across the state.

Supt. Laing introduced a concept based on a white paper developed several months ago. He explained that when money is appropriated to education it needs to be done in two

pieces. The first piece is to shore up the existing system by increasing the value of the Weighted Pupil Unit (WPU). The other piece is to enhance the system by providing the services that are needed for students in the form of categoricals. Supt. Laing noted that this year the Public Education Appropriations committee has talked of the possibility of block granting. He said there are some strengths to be obtained by block granting since it recognizes the local boards of education and their individual needs, and then gives them resources to address those needs.

Kim Burningham, Chair of the State Board of Education, introduced the members of the State Board of Education. He commented that the 15 members are elected to their positions; they come from different geographical sections of the state; they meet monthly or more often; and they are committed to the goal of having the best possible education system. The State Board of Education has the constitutional charge to give oversight to the public education system. Mr. Burningham said the board's priorities as reflected in the budget recommendations are: 1) a significant increase in basic funding, 2) quality professional teachers and principals in every school, 3) literacy improvements for all students, 4) applied technology education, and 5) accountability. Five members of the board gave a brief presentation on each of the five priorities.

1) Basic funding: Janet Cannon, Vice-Chair, State Board of Education, reviewed the need for an increase in basic funding and stated that Utah's public education system is the most poorly funded in the United States. She recognized the paradox in that we love children and have more of them than anyone, and we also have fewer taxpayers who pay into the system to provide their education. She requested additional and long-term resources be put into education funding. She said the State Board of Education is suggesting an increase in the WPU. They also suggest the Legislature address the need for programs and resources. The State Board of Education endorses the governor's budget of six percent WPU increase and a three percent stipend going into programs.

2) Quality professional teachers and principals in every school: Judy Larsen, member, State Board of Education, said Utah has historically benefitted from a strong and dedicated teaching force. She quoted a research study, "A quality teacher is the most indicative factor of whether a child will achieve to high levels or whether they won't." Good preparation programs, worthwhile professional development and strong retention strategy leads to quality teachers. Nearly one-third of beginning teachers quit within their first three years, so it is important to have strong induction and mentoring programs to reduce that number. Utah will likely not be immune from teacher shortages and will experience serious enrollment growth. The State Board of Education advocates for a comprehensive policy working together with the legislature and higher education to address these issues. The budget request promotes policy and resources to help ensure an adequate supply of well qualified and well prepared teachers and principals in every school. Ms. Larsen provided a handout for committee members.

3) Literacy improvements for all students - Earl McCain, member Utah State Board of Education, introduced Cambria McCain, fifth grade student, who displayed a sign written in Japanese, which translated read, "Reading is Fundamental." Mr. McCain explained the sign is an illustration of the problems associated with many students who cannot speak English fluently and consequently cannot read. Mr. McCain asked the committee to consider a block of monies to provide 100 reading specialists to work with children in kindergarten through grade three. The reading specialists would also work as advisors to other teachers in the same school to guarantee the literacy of all children through grade three. Mr. McCain urged support of the block funding for reading specialists.

4) Applied Technology Education - Dennis Morrell, member, State Board of Education, said the State Board of Education supports H. B. 34. The board would like to see all areas of the state served well by the Applied Technology program. Priorities in the budget proposal for ATSR funding equalization will attempt to equalize the funding between ATCs. Mr. Morrell emphasize the importance of the programs and the importance of equalizing so there is equity to fund the growth.

5) Accountability - Teresa Theuer, member, Utah State Board of Education, said as a board they would like to see accountability with students, teachers and administrators, and with the Utah State Office of Education. She said this year the board has set objectives in area of focus and have established indicators of success. The board is appreciative of the Governor's support of the \$3.9 million to encourage the U-Pass program. Ms. Theuer reported that in the February board meeting, a motion was passed to establish a task force to oversee an independent audit of the Utah State Office of Education to be completed by September 7, 2001.

Mr. Burningham concluded the boards presentation by stating that the State Board of Education has oversight of education, but it is difficult in reality when funding comes from another source. The State Board of Education and the Legislature both have a constitutional responsibility, and the board is anxious to work in cooperation with the Legislature for the very best educational system.

Supt. Steve Laing referred to the list of the boards priorities previously given to committee members. He called attention to the growth factors which need to be accommodated. Areas that have increasing needs are those area associated with the minority populations. Last year the Legislature funded a specialist to deal with the increased drop-out rates of minority students. In Utah the largest minority group is Native Americans. The USOE has a request for an Indian Education Specialist to help deal with the issues across the state that are endemic to Native Americans.

Supt. Laing called attention to the building block request for the electronic high school. The electronic high school provides an impressive opportunity for individuals, no matter

where they are in the state, to access quality programming and take courses over the internet. The popularity of the program has grown so much that there is a need to provide additional resources to enable the development of curriculum and to hire teachers to teach the courses and grade the papers that are sent electronically.

Rep. King asked if there was information as to whether money has been set aside to fund some of the block programs. Rep. Dillree said there is \$20 million one-time money and \$20 million on-going for the education rainy day fund, \$23.7 million for text book and instructional materials, \$5 million for teacher supplies, \$6.1 million for Board and Voted Leeway on-going, \$10 million for Capital Outlay, and there is just over \$6 million in the budget the analyst has recommended. Rep. Dillree noted there was an indication that the committee will be given \$27, 966,000 one-time funds and \$3,970,000 on-going funds. Rep. Dillree reported the chairs have met and determined a final figure of \$7,420,000 on-going funds that could be used for the committee. The co-chairs intend to go back and see if they can find some additional on-going money. None of these amounts include WPU. She said the chairs have been told there is a WPU increase ranging from four to six percent.

### **3. Bill Presentations**

- a. Sen. Stephenson reviewed H.B. 169 Charter Schools Amendments. The bill removes the pilot program status of charter schools, and authorizes the creation of an additional four charter schools under the sponsorship of the State Board of Education for the 2001-02 school year and an increase of four per year for each consecutive school year.

Sen. Stephenson remarked that the local school boards requested a provision for creating a greater working relationship between charter schools and local school districts. For that purpose the bill allows first that the legislature may charter schools, and also the local school boards may charter schools. Any charter must first be applied for to the local school board, and if an amiable agreement is not reached at the local school board level, the chartering organization may seek a charter from the State School Board. It has been suggested that a cap be placed on the number of charter schools that can be chartered by local school boards. There may be an amendment on the floor that would set the number as three or four percent of the students in the local school district. The fiscal note currently on the bill is \$420,000. In 2003 it is estimated there would be more charter schools, and, therefore, for the one-half of the local funding component it would expand to \$630,000. If there is a limit on the number of charters that could be granted by local school boards the fiscal note may drop. It would also drop if there is any modification to the one-half component.

Karen Derrick, Utah School Boards Assn., and Utah School Superintendents, said the organizations have taken a position of support for S.B. 169. They are committed to be a

full partner in the success of charter schools, feel they are in the best position to assist charter schools with financial obligations. In the past there has not been enough financial support for charter schools. With tax money school board members are accountable for any money spent on education. They were interested in Sen. Stephenson's amendment to limit the number of charter schools. Some of the smaller school districts are concerned they could be financially impacted with the large number of students that might be involved in charter schools.

Judy Arnold, Utah Charter Course, said that she represented a group of parents in northern Utah County who would like to establish a charter school this fall. There are over 300 children intending to enroll in the school which would be called Timpanogos Academy. Ms. Arnold was concerned that the number of charter schools was being limited. She said that in Colorado, where school districts are given free reign to grant as many charter schools as they would like, less than two percent of schools are charter schools.

Sen. Stephenson pointed out that charter schools under Utah law are public schools and they are part of the public system and are required to adhere to the same standards of accountability and financial reporting as public schools. They are required to be in the U-Pass accountability program. Charter schools provide a custom-fit education for those students who may not be thriving in the public school system.

- b. Rep. Dillree reviewed H.B. 216 Appropriation for Advanced Readers At-Risk program. The purpose of the bill is to develop a comprehensive program in the public schools to develop advanced reading knowledge and skills in students. It is a three year pilot program, subject to reauthorization by the Legislature based on an evaluation of the effectiveness of the program. The bill would require \$500,000 one-time funding.

Rep. Dillree pointed out that 26 percent of students are identified as readers who may be behind. By the time they reach grade six, approximately 21 percent of students are identified as being advanced. Many of these students become lost or disenchanted and lose interest in school. The bill would establish a network of coordinators to train other teachers to meet the needs of these advanced students. She encouraged committee support of the bill.

- c. H.B. 256 School Boards Compensation was not presented to the committee .

Rep. Dillree explained that the bills requiring on-going funding will be given back to the house of origin for prioritization. Bills that requires one-time funding will be held in committee for prioritization and if they are not on the priority list they will be sent back to the house of origin.

4. **Block Granting** - A discussion on the budget sheet prepared by the Analyst, and color coded by the Utah State Office of Education (USOE) was shown to the committee with use of an overhead projector.

Supt. Laing responded to the initial proposal for block granting, and distributed a four page handout with comparisons of the analyst budget and the USOE budget. He stated that block appropriations have great appeal to local autonomy. He commended the committee for thinking of the responsibility and opportunity for local boards of education to have resources with which to address their particular concerns. He said there is also a certain amount of apprehension or wariness about block granting, particularly in times of need, because it is almost irresistible to block programs together when there is less money. This makes it impossible to fund programs that were initially started.

Supt. Laing pointed out items in the budget the USOE feel need to be maintained as WPU driven, and other items reflecting differences in the two budgets.

Mr. Kjar reported on what the committee might do in relationship to the USOE proposal.

Rep. Buffmire commented that it appeared the USOE and the committee recommendations are not far apart. She complimented the chairs, staff, the school board, and everyone who has worked hard to protect the things that are valued for Utah's children.

Karen Derrick, Utah School Boards, Assn., commented that they have not discussed the block grant proposal, but they are intrigued by the process and the prospect and they understand that special groups need to have line items. She was somewhere in the middle of the two budgets. She recognized that every district has special needs.

Supt. Darlene Robles, Salt Lake City School District, said she and several other superintendents have seen the proposal by the USOE, and they are in full support of the proposal made by Supt. Laing.

Rep. Buffmire moved to adjourn the meeting at 4:34 p.m.

Minutes reported by Nedra Duzett, Secretary

Minutes of the Joint Public Education Appropriations Subcommittee  
February 9, 2001  
Page 7