

(Draft – Awaiting Formal Approval)
**MINUTES OF THE
PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE**
Room 210, Senate Building, State Capitol Complex
November 06, 2013

MEMBERS PRESENT: Sen. Howard A. Stephenson, Co-Chair
Rep. Bradley G. Last, Co-Chair
Rep. Steve Eliason, House Vice Chair
Sen. J. Stuart Adams
Sen. Lyle W. Hillyard
Sen. Aaron Osmond
Sen. Daniel W. Thatcher
Rep. Joel K. Briscoe
Rep. Francis D. Gibson
Rep. Stephen G. Handy
Rep. Michael S. Kennedy
Rep. David E. Lifferth
Rep. Carol Spackman Moss
Rep. Jim Nielson

MEMBERS EXCUSED: Rep. Kraig Powell

MEMBERS ABSENT: Sen. Patricia W. Jones
Sen. Mark B. Madsen
Sen. Stephen H. Urquhart
Rep. LaVar Christensen

STAFF PRESENT: Mr. Ben Leishman, Fiscal Analyst
Dr. Thomas Young, Economist
Ms. Wendy Hill, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

Co-Chair Stephenson called the meeting to order at 9:20 a.m.

1. Approval of Minutes

The minutes were not approved at this time.

2. 2013 General Session Intent Language Follow-up

a. Performance Measures for Education Agency Budgets

Dr. Thomas Young, Economist, Office of the Legislative Fiscal Analyst (LFA) referred to three items concerning intent language: performance measures in connection with child nutrition, education initiatives, and line items in education agency budgets.

b. Cost Differentials for Inmate Education

Dr. Young referred to the handout, "Education Contracts- Corrections Education." Graphs showed the cost of educating inmates throughout the state, historically, currently, and in the future. A recent audit indicated education costs in jails were less than in prisons. The Utah State Office of Education (USOE) plans to equalize the costs by increasing allocations for jail enrollees and decreasing allocations for prison enrollees. Dr. Young said that the subcommittee has the option to increase the expenditures for corrections education to jails and use those funds elsewhere.

Ms. Brenda Hales, Deputy Superintendent, USOE, discussed a report prepared by USOE. Facilities at county jails are limited and corresponding cost for those services are minimal. Previous funding has been replaced by Education Contracts funding. Funding has dropped below the 2001-2002 level even though the offender population has grown.

Co-Chair Stephenson asked for clarification on the funding. Sen. Hillyard asked about inmates who qualify for special education. Ms. Hales said a challenge throughout the state is the funding for special education does not meet its actual costs. Federal funds and state funds are used. Federal funds are distributed to the school district first and then the district sends funds to the prison. Sen. Hillyard asked about the Applied Technology College (ATC) program. Ms. Hales said USOE does not handle ATC but spoke favorably about the program. Sen. Hillyard was concerned if education funds or corrections funds should be used for inmates. He also asked about which entity provides funds for education. Ms. Hales said Education Contracts is funded with education funds and go to the school district the jail is located in.

Sen. Hillyard also asked about funding for inmates and work release. Mr. Jeff Galley, Corrections Education Specialist, USOE, said funding comes through adult education in the education budget. Sen. Hillyard expressed concern about the many demands on state funding.

Ms. Hales summarized by referring to the USOE report on Inmate Education. Ms. Hales said the USOE is following the current recommendation of the State Auditor by specifying funds from Education Contracts. Sen. Hillyard asked if the change is hurting programs at the state prison and the prison at Gunnison. Ms. Hales said that the maximum number of credits a prisoner can take has been reduced.

Co-Chair Stephenson acknowledged the positive step forward USOE has made in response to the audit. Sen. Hillyard commented that during the next session changes could be made if the committee desired.

c. Utah Schools for the Deaf and Blind – Cost Effective Transportation Options

Dr. Young distributed graphs regarding student transportation costs for Utah Schools for the Deaf and Blind (USDB). The cost per student for 2013 is about \$10,000. The USDB is looking at options to reduce costs.

Mr. Ben Leishman, Fiscal Analyst, LFA read the intent language in H.B. 2, Public Education Budget Amendments (2013 General Session).

Mr. Joel Coleman, Superintendent, Utah Schools for the Deaf and Blind (USDB) and Mr. Scott Jones, Finance Director, USDB, responded to the USOE report on student transportation. Mr. Jones asked for an extension of time so a cost benefit analysis could be completed. Mr. Coleman said more time would allow them to get accurate numbers to the committee.

Co-Chair Stephenson asked if using in-house services would cost more than a private contract. Mr. Coleman said that may prove correct. Co-Chair Stephenson was concerned about risk management in regards to transportation. Sen. Hillyard asked if any federal funds could help with transportation costs. Mr. Coleman said that the federal government provides about \$250,000, which is used for salaries and benefits of teachers. The state funds all transportation.

3. Minimum School Program: Comprehensive Program-Level Performance Measurement Plan

Co-Chair Stephenson referred the committee to the report on Performance Measures for Education Agency Budgets. Mr. Leishman said the reports on performance measures are to help the committee evaluate various programs in the Minimum School Program (MSP).

Mr. Bruce D. Williams, Associate Superintendent, USOE, reported on the Minimum School Program Performance Measures. The report looks at all the programs in the MSP. Performance measures on unrestricted dollars to LEAs were difficult to define. Current student assessments show if these programs are effective. He encouraged the committee review the report.

Rep. Last asked if the performance measures were helpful to the USOE. Mr. Williams said defining performance measures was difficult, over time with the right metrics, the data may be helpful.

Rep. Nielson spoke in favor of performance measures and allowing unrestricted funds for the use of LEAs.

Rep. Briscoe asked if the performances measures collected any new data that has not been measured in past years. Superintendent Menlove said most of the data has been collected in the past, some data is more important than others for improving education. Rep. Briscoe said the data is important for making appropriate funding decisions. Superintendent Menlove said the time needed to analyze each program and its effectiveness does not always happen.

Sen. Hillyard commented that the definition of success varies between individuals. There will never be enough money to fund all the programs education may want. Decisions must be made to spend the money we have in the best way to help the children in Utah.

Co-Chair Stephenson said there is confusion on reliable standards of educational proficiency from state to state. Superintendent Menlove said meaningful measurements are important to USOE.

Approval of the Minutes

MOTION: Sen. Thatcher moved to approve the minutes for October 10, 2012, December 11, 2012, February 19, 2013, February 26, 2013, and August 28, 2013. The motion passed unanimously with Sen. Adams, Rep. Gibson, Rep. Handy and Rep. Kennedy absent for the vote.

4. Charter Schools – Implementation of House Bill 344 (2013 General Session)

Mr. Tim Beagley, Chair, State Charter School Board, and Ms. Marlies Burns, Director, State Charter School Board addressed the committee. Six applications were made to the Charter School Board since July based on the criteria established in H.B. 344 (2013 General Session). In February 2014, a decision will be made on which schools will be approved. Ms. Burns said with an accelerated time line there was no money left for start-up grants.

Mr. Leishman said current projections are being made for the education budget in the upcoming year. Approval of new schools under H.B. 344 will significantly impact the budget. Growth is projected at about 10,300 students. It is anticipated Charter Schools will enroll between 9,200 to 11,700 additional students. If all six applications under H.B. 344 are approved, the enrollment growth for charter schools will exceed the limit set in the intent language passed by the Legislature during the 2013 General Session. The cost per student varies between charter schools and traditional schools. Special Education, Local Replacement and Administrative costs and the Voting Board Local Levy are factored into the projected costs. In the past, Charter School enrollment growth projections have been high. Mr. Leishman suggested that the subcommittee assume students will enroll in with the school district for Weighted Pupil Unit (WPU) purposes. And then, for Local Replacement Costs, assure the new students are enrolled in charter schools. That may overfund the program but the unused funds will be available the upcoming year.

Rep. Last asked for the amounts needed to fund the WPU, Local Replacement, and the Voted and Board Levy programs. Mr. Leishman said the numbers for the WPU will be decided soon and Local Replacement costs would be about \$13.5 million when including new schools under H.B. 344. Rep. Moss asked how the new schools under H.B. 344 are different from other charter schools. Mr. Beagley said that the schools under H.B. 344 are new and innovative from Utah's established charter schools. One proposal was for a high school centered around ROTC, another proposal based on agriculture production. Ms. Burns said the new streamlined process may be used for all schools in the future.

Co-Chair Stephenson said this legislation was aimed at new and different schools that are not currently in Utah. Rep. Liffereth recognized that a shortened time frame creates a challenge for newly approved schools to open in August. He wanted the committee's input on how the schools should be funded.

Sen. Hillyard commented about student population growth in the state and in charter schools. He said the problem with funding is not the WPU but the Local Replacement Costs. He suggested setting money aside to use if needed. He commented on money used for student population growth and the state's limited funds. Co-Chair Stephenson said at the beginning of the next legislation session a decision needs to be made on how to fund applicants under H.B. 344.

5. STEM Action Center – Update on Initial Organization and Activities of the Center

a. STEM Education Related Instructional Technology Program

Mr. Spencer P. Eccles, Executive Director, Governor's Office of Economic Development (GOED), and Mr. Vincent Mikolay, Managing Director, Business Outreach and International Trade, GOED, addressed the subcommittee. Mr. Jeff Nelson, Board Chairman, Science, Technology, Engineering and Math (STEM) Action Center, president and CEO of Nelson Laboratories and Ms. Meredith Mannebach, Program Director, STEM Action Center, Ms. Sue Redington, STEM AC Coordinator and Dr. Sarah J. Brasiel, Utah State University, Instructional Technology and Learning Sciences were recognized.

Mr. Eccles reported that currently they are looking for an Executive Director for the program. He showed a power point presentation about STEM implementation. STEM Utah is the statewide leader in identifying and promoting science, technology, engineering and math. Mr. Mikolay said pilot programs went to schools that expressed interest. Programs that are selected for use by STEM will continue for the rest of the school year. Most schools will begin the program in fall 2014.

Co-Chair Stephenson was concerned about how many students would be using the selected programs.

Mr. Eccles said there are more teachers and schools interested in the program than can be served. With the funds available about 25 percent of students will be able to participate.

Co-Chair Stephenson acknowledged the high quality of public educators in Utah. Mr. Mikolay described in detail the timeline and actions taken. Mr. Eccles summarized by saying good data was critical in making decisions, for collaboration and communication. The STEM Action Center will help prepare the youth of Utah for jobs of the future and serve as a tool to connect with industry.

Co-Chair Stephenson spoke favorably about the STEM Action Center.

Rep. Handy asked if it was best to have the STEM Action Center with GOED or USOE. Mr. Eccles said industry wanted STEM to be with GOED. Utah's prepared workforce invites more industry to the state.

Rep. Gibson asked about the involvement of educators. Mr. Mikolay said teacher's involvement included working with the pilot programs and giving feedback. Rep. Gibson commented on the importance of teachers' involvement with STEM. Rep. Moss added her support for STEM and asked for specifics on using STEM in the classroom and involving teachers. Mr. Eccles explained that the intent language specified where the funds were spent and collaboration of four working groups of teachers, administrators, and industry. Mr. Mikolay said STEM enhances teachers in the classroom and educator's interest in the program has outpaced supply. Many positive responses come from parents and educators.

Rep. Briscoe asked what type of technology is going to the classroom. Mr. Eccles said it was software.

Co-Chair Stephenson acknowledged Ms. Mannebach and Mr. Nelson's work on the board. Mr. Nelson commented about the STEM Action Center working with USOE to accomplish their goals.

6. Competency-Based Education

This agenda item was postponed until after lunch.

7. Lunch Break

Co-Chair Stephenson recessed at 11:54 a.m. for lunch in the Copper Room.

Ms. Melva Sine, President, Utah Restaurant Association, introduced students from ProStart. The students prepared lunch and demonstrated their cooking skills. There are about 1200 students enrolled in ProStart statewide.

Mr. Tom Guinney, Chief Executive Officer and Chief Operating Officer, Gastronomy Inc., talked about ProStart and its partnership with industry and education.

Co-Chair Last reconvened the meeting at 1:10 p.m.

6. Competency-Based Education [Agenda Item from the Morning Session]

a. State Board of Education recommendations as required in House Bill 393 (2013 General Session)

Mr. Bruce D. Williams, Associate Superintendent, USOE, discussed funding and competency-based education. One funding option is a weighted Competency Based Unit (CBU) established on student

achievement, another option is a course level funding formula that distributes funds to LEAs that establish competency-based education programs. He referred to the report prepared by USOE.

Sen. Osmond asked what is working in other states using competency based funding. Superintendent Menlove said that the model he is aware of is similar to the course level funding formula. Sen. Osmond said he thought Florida was using something different. Mr. Williams suggested that the new Course Level Funding Program incorporate the Statewide Online Education Program.

Rep. Briscoe commented about Advanced Placement classes and funds distributed to schools based on the number of passing students. Mr. Williams said there are challenges in determining the budget with an unknown pass rate. Rep. Nielson said with his own business budget he often makes revisions, the Education budget also has factors that can change it. Mr. Williams said 87 percent of the Education budget goes to staff and it would be disruptive to students if a teacher was eliminated midyear because of lack of funding. It is important for the state to predict costs accurately.

Co-Chair Last said H.B. 393 required the State Board to provide recommendations and these ideas were interesting. He suggested a pilot program to test the options.

8. Statewide Online Education Program

a. Program Update on the 2012-13 School Year

Ms. Cory Kanth, Program Specialist, USOE, discussed Public Education Online. In the second year, program enrollment increased by 140 percent, and it continues to grow. By the end of the year, she anticipates 2,200 course requests. She estimates 2,700-5,400 enrollment requests for the coming year.

Co-Chair Stephenson asked if the numbers included students enrolled through a LEA. Ms. Kanth said that the numbers only reflect students enrolled through the online education program. Co-Chair Stephenson requested the growth numbers and completion rates for all online courses in LEAs and students enrolled through the Statewide Online Education Program. Ms. Kanth said she would work on that report. Mr. Williams said they have the capability to find the data.

Co-Chair Stephenson asked about private schools and home schools using online education. Ms. Kanth said the online education program is supplemental to the offerings in a private school. Sen. Thatcher related an incident in his district concerning a student's difficulty trying to enroll online. Ms. Kanth said she often encounters similar situations. Co-Chair Stephenson said Louisiana uses an online dashboard by Agillics, a Utah company. The dashboard allows students to enroll and notifies the school counselor. This could be a solution for Utah. Sen. Thatcher said that he will sponsor legislation to make changes in enrollment.

Rep. Gibson asked about math courses offered online. Ms. Kanth said the entire high school core could be offered but currently the courses are limited. He was concerned about the quality of instruction in schools and if online courses were better. Ms. Kanth said parents can research the report on providers produced by USOE for evaluations. Most online students have some interaction with the teacher as well as other students. Rep. Gibson asked if online math courses were approved for the Regent Scholarship. Ms. Kanth said the Regent Scholarship office looks at each course individually.

Co-Chair Last said online education provides good options for students and that he wants to work for its improvement.

Sen. Stephenson acknowledged the hard work given by the USOE.

9. Statutory Reports

a. K-3 Reading Improvement (53A-17a-150)

Ms. Brenda Hales, USOE reported on the K-3 Reading Improvement program. Different assessments will be coming in the future and the standards will more difficult. Current data uses Dynamic Indicators of Basic Early Literary Skills (DIBELS) evaluations in grades one through three. Since the implementation of the K-3 reading program, there has been an improvement in reading and language arts. Different measuring tools are used for different assessments. Sen. Hillyard asked if every district matches the \$15 million.

Ms. Hale said yes. Sen. Stephenson asked if USOE has plans for the K-3 allocations. Ms. Hales said yes it is included in the next presentation.

b. Diagnostic Assessment System for Reading (53A-1-606.7)

Ms. Judy Park, Associate Superintendent, USOE, discussed Diagnostic Assessment for Reading. Through regression analysis, it was determined that the schools that used Wireless Generation showed a statistically significant improvement. Rep. Briscoe asked for further clarification. Rep. Nielson asked about psychometrics. Ms. Park said psychometrics is a term used to describe a specialty in statistical analysis. Sen. Osmond asked if this tool helped the teacher with immediate feedback. Ms. Parks said she did not have any data regarding that, but some teachers liked this tool while others preferred their own methodology. Sen. Stephenson noted the teachers in Granite and Davis School Districts were pleased with the tool.

c. Report from Diagnostic Assessment System Contractor: Amplify Education Inc.

Mr. David Stevenson, Vice President, Amplify Insight (formerly Wireless Generation), addressed the committee. He showed a power point presentation. There was a four percent proficiency increase in the state with the use of services from Wireless Generation. About 85,000 students use services from Amplify. Children are screened at least three times during the year but can be checked more often. Closer monitoring by educators produced better results. Rep. Briscoe asked what tools are available for teachers to use. Mr. Stevenson said there are grouping tools, activity recommendations based on assessments, administrative reports, and parent reports. Sen. Osmond asked for details about the results. Mr. Stevenson said electronic tools gives the teacher more time in the classroom and helps the teacher work with the data collected. Co-Chair Stephenson said teachers he has talked to wish the tool was available past 3rd grade.

10. Governor's Office of Management and Budget – Success Framework

Mr. Phil Dean, Manager, Governor's Office of Management and Budget, showed a power point presentation on maximizing efficiency. The Governor's goal is to improve government operation and service by 25 percent by 2017. Rep. Eliason asked for clarification about measurements. Rep. Gibson asked about applying the principles to the education subcommittee.

11. 2014 General Session Budget Priorities of the State Board of Education

Dr. Martell Menlove, State Superintendent, USOE, discussed the funding priority handout from the State Board. He showed a power point presentation to the subcommittee. Expectations include funding growth

estimated at \$70 million. They are asking for an increase in the value of the WPU, eight ongoing requests estimated at \$45,100,000 and funding seven one-time requests at \$115,450,000.

Rep. Liffereth suggested making a link available to the public to the material Superintendent Menlove presented. Rep. Eliason asked about the accuracy of the growth estimate. Superintendent Menlove said funding growth at \$70 million is probably high. Rep. Eliason said of the \$240 million surplus, half will go to the Rainy Day Fund. He asked what the State Board would like to see happen to the rest. The Superintendent said that the State Board has not taken a position.

Sen. Hillyard asked if this budget was approved by the Governor. Superintendent Menlove said the budget has only been presented to him. Sen. Hillyard said it was difficult to compare state employees and teachers compensations because funding and benefits are different. He said Local Replacement was an issue that needed to be resolved. He was concerned about double funding growth below the line and above the line. He was concerned about the state having enough money for funding requests without raising taxes. He said providing teacher supply money was important but it probably didn't meet the amount teachers spent.

Co-Chair Stephenson asked about item two, Early Intervention Initiatives. Superintendent Menlove said the \$20 million request is an increase. Co-Chair Stephenson said as he looks at the funding priorities he saw requests going toward professional development. He observed some schools providing their own professional development for teachers when using new software. He was surprised at the one-time request for \$20 million for Innovative Transportation. Local school boards should be looking at their own transportation needs. He was also concerned about the request for money for a new state office building.

Co-Chair Last relinquished the chair to Sen. Stephenson.

Rep. Briscoe commented about class size, the General Fund and the Education Fund, and the request by the State Board for a line item for Retirement. He was in favor of increasing the value of the WPU by 2.7 percent.

12. Review of Technology Programs and Funding [Agenda Item 13]

a. UPSTART Funding Continuation

Co-Chair Stephenson read some prepared notes by Rep. Last, who was the original sponsor of the legislation. Funding for Utah Preparing Students Today for a Rewarding Tomorrow (UPSTART) includes \$1.7 million ongoing and \$500,000 one-time. The five year pilot ends in FY 2014. For the program to continue legislation is needed. Decisions need to be made on whether or not to expand the program.

Dr. Claudia Miner, Vice President of Development, UPSTART Program Director, Waterford Institute, distributed a packet about the program. UPSTART provides a bilingual preschool curriculum of reading, math and science. The Waterford Assessments of Core Skills gives an indication of each child's reading readiness and competence. There are over 1,500 participating families throughout the state.

Sen. Adams asked about the company that did the evaluation. Dr. Miner said that USOE selected the company to evaluate the program. Sen. Adams said the data shows that children in UPSTART are three to four times more ready to start school. He thought the program was a cost effective program and supports legislation to continue the program.

Rep. Gibson asked about the payment of the internet service. Dr. Miner said the program pays for the internet, about \$50.00 a month per family for the year. Rep. Gibson felt the program should go to children in the poverty level because of the cost per child. Co-Chair Stephenson said this cost is less than a preschool program. He suggested it might be possible for middle class families to have the option of participating at cost.

Rep. Gibson asked for the cost per student. Dr. Miner said \$1,305. Rep. Gibson asked if this program goes to bid. Co-Chair Stephenson said it has a Request For Proposal (RFP) process. Rep. Eliason said his family has used UPSTART with good results. He was concerned about the equipment costs, the cost of the internet and getting the program to more children.

Sen. Osmond was favorably impressed with this tool. He said the cost for a preschool program in Granite District was about \$1,500 per student. He wanted to know which of the programs makes a long term difference for students in K-6 grades. He said the need for early education is critical. Co-Chair Stephenson said he observed older siblings of preschool children using UPSTART using free programs to advance their education. He said the RFP process may produce another program that is better.

13. 2014 General Session Budget Issues [Agenda Item 12]

Co-Chair Stephenson stated that due to restricted time, Items b. Funding Equalization, c. Tax Revenue Shift for Public Education, and d. Minimum School Program – Enrollment Growth and WPU Value Increases would be scheduled for a future meeting.

a. University of Utah Reading Clinic (UURC)

Sen. Osmond said he was introducing legislation relating to the expansion of the UURC. He said there is a demand to expand the program in Salt Lake and to Cedar City and Ogden. He also wants to use technology in reading intervention.

Dr. Kathleen J. Brown, Director, UURC updated the subcommittee about the reading clinic created by the Legislature in 1999. Over the last 14 years, the clinic has trained over 5,500 educators and served over 11,000 children. The children are provided help on an either one to one basis or in small groups depending on the problem and venue.

Sen. Osmond said schools provide some of the funds to participate. Dr. Brown said typically a school will pay \$1,000 for a teacher to receive 60 hours of professional development. Sen. Osmond would like additional funds to meet the demands by expanding the program. Funds are also needed for training teachers in the use of technology to improve reading.

Co-Chair Stephenson recognized former state senator, Ms. Karen Morgan.

Rep. Nielson said the expansion of the program as outlined by Sen. Osmond would be over 200 percent increase in funding and would cost over \$1 million. He was concerned about spending money on programs that would not increase the WPU. He felt the districts should pay all the costs for the program if they need it.

Sen. Osmond said he agreed it does potentially reduce funding that could flow into the WPU but the economy of scale of increasing the WPU by \$1 million is lost. By funding this service, districts have the option of participating at an affordable rate. Dr. Brown said they have built a level of expertise that is unrivaled in the nation.

Rep. Nielson felt school districts need more control over their own funds.

Co-Chair Stephenson asked what expectations UURC had with professional development and software technology. Dr. Brown said there is a need for teachers to understand the tools. By understanding the data and responding to it, teachers will increase children's proficiency. Over the last nine months the UURC has greatly increased its technology resources and more funds would allow them to continue enlarging their resources.

14. Adjourn

MOTION: Rep. Lifferth and Rep. Handy moved to adjourn. The motion passed unanimously with Rep. Last, Sen. Adams, Sen. Hillyard, Sen. Thatcher, Rep. Briscoe, Rep. Gibson, Rep. Kennedy, and Rep. Moss absent for the vote.

Co-Chair Stephenson adjourned the meeting at 4:37 p.m.