

**MINUTES OF THE
PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE MEETING**
Room 445, State Capitol
February 26, 2013

Members Present: Sen. Howard A. Stephenson, Co-Chair
Rep. Bradley G. Last, Co-Chair
Rep. Steve Eliason, House Vice Chair
Sen. Lyle Hillyard
Sen. Patricia W. Jones
Sen. Mark B. Madsen
Sen. Aaron Osmond
Sen. Daniel Thatcher
Sen. Steve Urquhart
Rep. Joel K. Briscoe
Rep. LaVar Christensen
Rep. Francis Gibson
Rep. Steve Handy
Rep. Mike S. Kennedy
Rep. David E. Lifferth
Rep. Carol Spackman Moss
Rep. Jim Nielson
Rep. Kraig Powell

Members Excused: Sen. Stuart Adams

Staff Present: Mr. Ben Leishman, Legislative Fiscal Analyst
Mr. Thomas E. 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 Last called the meeting to order at 5:23 pm.

1. Minutes

MOTION: Sen. Osmond moved to approve the minutes of the February 12, 2013 and the February 14, 2013 meetings. The motion passed unanimously with Sen. Thatcher and Rep. Christensen absent for the vote.

2. Final Discussion and Questions in the Education Budget

No questions were asked.

3. Approval Of Program Budgets: Including Budget Changes, Fees and Federal Funds

Mr. Ben Leishman, Fiscal Analyst discussed the green sheets, Budget Motions and the yellow sheets, Intent Motions. These items were reviewed in the past eight meetings. Budget items included:

1. Budget Adjustments - Minimum School Program
2. Budget Adjustments - School Building Program and Education Agencies
3. Budget Adjustments - Local Revenues
4. Budget Adjustments - School LAND Trust Revenue
5. Budget Adjustments - Growth in Student Population
6. Education Governance - Repeal 53A-1-408
7. Minimum School Program- Prior-Year + Growth
8. Minimum School Program- Utah Schools for the Deaf and the Blind (USDB)
Transportation Costs
9. Minimum School Program- Voted and Board Local Levy – State Guarantee Rate
10. Fees
11. Federal Funds
12. Prepare Budget Recommendations

Mr. Thomas E. Young, Fiscal Analyst specifically talked about item ten, Fees. He distributed two papers concerning Fees. The large sheet covered six different options in regards to Fees; the second sheet reported the Utah State Office of Education (USOE) Proposals on Fees.

Rep. Briscoe, Sen. Hillyard, Rep. Nielson, Rep Eliason asked for further clarification on the green sheets. Mr. Leishman said the Legislature as a whole will discuss the structural deficit caused by the \$25 million error.

MOTION: Co-Chair Stephenson moved to adopt all the motions on the green sheets except for item number ten, Fees. The motion passed, with Rep. Nielson voting in opposition.

Co-Chair Stephenson, Rep. Moss and Rep. Briscoe debated the options on Fees.

Dr. Sydnee Dickson, Teaching and Learning Director, Utah State Office of Education commented on Fees for licensure.

MOTION: Rep. Moss moved to approve option 3 on the Educator Regulatory Fees Schedule. The motion passed unanimously.

Mr. Young said the USDB requested three fee increases for services to school districts.

MOTION: Co-Chair Stephenson moved to accept the USDB Fees, as earlier presented. The motion passed unanimously.

4. Approval of Intent Language

Mr. Leishman spoke about the yellow sheets, Intent Motions. The motions included:

1. Minimum School Program – USDB Transportation Costs
2. Minimum School Program – FY 2015 Charter School Enrollment

3. Minimum School Program – Distribution of Flexible Allocation Funding
4. Utah State Office of Education – Statewide Online Education
5. Education Contracts
6. USOE Initiatives – Contracts and Grants
7. Child Nutrition
8. Utah Schools for the Deaf and Blind
9. State Charter School Board
10. Minimum School Program – Distribution of Teacher Supplies and Materials Funding

Co-Chair Stephenson asked about item nine. Mr. Young said he wrote the language in item nine and it aims to establish performance measures for charter schools. Mr. Leishman said the performance measures are aimed at the functions of the Charter School Board and their staff. Co-Chair Stephenson said suggested taking out “program” and inserting “Charter School Board and staff.” Rep. Briscoe disagreed with suggestion. Mr. Leishman said this language refers to State Charter School Board line item and is only applicable to that line item.

MOTION: Co-Chair Stephenson moved to accept the intent language on the yellow sheets, Intent Motions as discussed.

The motion passed with Rep. Briscoe voting in opposition.

5. **Prioritization and Approval of New Funding Requests**

Co-Chair Last explained the prioritization process. Each member of the committee submitted their prioritizations of one-time funding and on-going funds. The House rankings were totaled as well as the Senate rankings. The rankings were subsequently combined, resulting in the final order shown on the blue sheets. The amount of funds from the state has not been determined. Co-Chair Last explained the line items, Student Enrollment Growth and Educator Salary Adjustments. Co-Chair Stephenson said those two items were obligatory to fund. Mr. Leishman said the retirement changes made last year were not funded. Rep. Moss asked about the funding request for enrollment growth. Mr. Leishman said growth projections are prepared in the fall for the coming year, line item one is the cost associated with WPU programs and related programs below the line.

MOTION: Rep. Nielson moved to approve from the ongoing list, Student Enrollment Growth in the amount of \$68,500,000 and one-time Items, Student Enrollment Growth – FY13 Educator Salary Adjustments and Educator Salary Adjustments – Retirement Rate Change, on the blue sheets.

Sen. Jones asked what percent increase was made to the Retirement Rate Change. Mr. Leishman said 1.9 percent. Sen. Urquhart said the most important thing for the committee to do was to rank the priorities and not be concerned with amounts of funding.

The motion passed unanimously.

MOTION: Vice Chair Eliason moved to change STEM Action Center, line item 36, rank 5 on the ongoing list to \$0 and STEM Action Center, line item 7, rank 3 on the one-

time list to \$0.

Co-Chair Stephenson clarified the funding source would not be from the Uniform School Fund. Mr. Leishman said all the funds for STEM are from the General Fund. Sen. Hillyard said not to be concerned about funding sources instead focus on priorities. Sen. Urquhart said the Subcommittee was misusing time on issues that will not be determined in today's meeting. Rep. Lifferth asked about the money requested for line 8, High Quality Instruction and item 6, Statewide Computer Adaptive Testing.

Co-Chair Last said the Chairs recommended increasing the WPU to two percent and specify one percent is intended for Retirement and Social Security or increase the WPU by one percent and make an additional line item for Retirement and Social Security at \$25 million.

Co-Chair Stephenson said executive appropriations will decide on the amount of funding.

MOTION: Rep. Handy moved to make Social Security and Retirement a separate line item.

SUBSTITUTE MOTION: Rep. Nielson moved to transfer all items from the flexible allocation into the Basic School Program and any retirement funds into the WPU.

Vice Chair Eliason withdrew his previous motion.

Rep. Briscoe and Rep. Powell spoke against the substitute motion and spoke in favor of the original motion.

The substitute motion failed with Rep. Nielson voting in favor.

MOTION: Rep. Handy moved to make Social Security and Retirement a separate line item.

Co-Chair Stephenson and Sen. Hillyard commented on the motion its impact on the WPU and limits on revenues.

The motion passed with Sen. Hillyard, Sen. Madsen and Rep. Nielson voting in opposition.

Co-Chair Last said the Chairs recommend an additional one percent be added to the WPU value and \$25 million into Retirement and Social Security.

Sen. Hillyard asked about the \$25 million added to the budget to cover the \$25 million error. Mr. Leishman said the structural imbalance is in the Education Fund and did not need to be prioritized by the Subcommittee.

MOTION: Rep. Briscoe moved to raise the WPU value to 2 percent in addition to \$25 million for retirement.

Rep. Eliason, Sen. Hillyard and Sen. Thatcher spoke against the motion. Rep. Nielson asked for clarification on the motion.

The motion failed. Voting against the motion: Co-Chair Stephenson, Sen. Hillyard, Sen. Madsen, Sen. Thatcher, Sen. Urquhart, Rep. Last, Vice Chair Eliason, Rep. Christensen, Rep. Gibson, Rep.

Lifferth. Voting for the motion: Sen. Jones, Sen. Osmond, Rep. Briscoe, Rep. Handy, Rep. Kennedy, Rep. Moss, Rep. Nielson, Rep. Powell.

MOTION: Sen. Urquhart moved to increase the WPU value as much as possible as the Subcommittee's third priority.

Rep. Nielson and Rep. Gibson spoke to the motion. Sen. Thatcher spoke in favor of the motion.

The motion passed unanimously.

MOTION: Rep. Nielson moved to pass his Budget Alignment Proposal. The Budget Proposal moved \$303,051,200 above the line, eliminate Class Size Reduction and increase the WPU by \$50,000,000.

SUBSTITUTE MOTION: Co-Chair Stephenson moved to refer the Budget Alignment Proposal to interim or a task force for further study. The motion passed unanimously.

MOTION: Sen. Hillyard moved to approve all items as ranked on the ongoing and one-time lists on the blue sheets.

SUBSTITUTE MOTION: Vice Chair Eliason moved to reduce the following items;

- one-time High Quality Instruction, line item 8, rank 4, from \$20 million to \$8.8 million.
- one-time item Statewide Computer Adaptive Testing, line item 6, rank 6 from \$30 million to \$13.2 million
- ongoing item UPSTART, line item 27, rank 13 from \$3 million to \$1,250,000
- ongoing item At-Risk Students Funding Restoration, line item 13, rank 22 from \$8 million to \$4 million

Rep. Briscoe, Sen. Jones, Rep. Moss, Rep. Gibson spoke to the substitute motion.

The motion passed unanimously with Sen. Osmond, Rep. Christensen, Rep. Nielson absent for the vote.

MOTION: Sen. Hillyard moved to approve all items on the ongoing and one-time lists on the blue sheets as amended.

SUBSTITUTE MOTION: Sen. Jones moved to change Professional Development \$8.8 million, line item 6, from the one time list to the ongoing list and rank it after the K-6 Math program, line item 38 and before the Dual Language program line item 10.

Rep. Gibson and Rep. Moss spoke in favor of the substitute motion. Co-Chair Stephenson spoke against the motion.

The motion failed. Voting against the motion: Co-Chair Stephenson, Sen. Hillyard, Sen. Madsen, Sen. Thatcher, Sen. Urquhart, Rep. Last, Rep. Kennedy, Rep. Lifferth. Voting for the motion: Sen. Jones, Sen. Osmond, Vice Chair Eliason, Rep. Briscoe, Rep. Gibson, Rep. Handy, Rep. Moss, Rep. Powell. Absent for the vote: Rep. Christensen, Rep. Nielson

MOTION: Sen. Hillyard moved to approve all items on the ongoing and one-time lists on the blue sheets as amended.

SUBSTITUTE MOTION: Rep. Powell moved to change ongoing SB 175 Assessment of College Rediness line item 4, rank 19 to rank 14 after UPSTART.

Co-Chair Stephenson spoke in favor of the motion. Co-Chair Last spoke to the motion.

The motion passed with Sen. Hillyard, Sen. Jones, Rep. Kennedy and Rep. Lifferth voting in opposition and Rep. Christensen and Rep. Nielson absent for the vote.

MOTION: Sen. Hillyard moved to approve all items on the ongoing and one-time lists on the blue sheets as amended.

SUBSTITUTE MOTION: Sen. Osmond moved to restore the appropriation of \$20 million on the one time line item Professional Development line item 8, rank 4.

Rep. Briscoe spoke to the motion. Rep. Gibson spoke in favor of the motion.

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

MOTION: Sen. Hillyard moved to approve all items on the ongoing and one-time lists on the blue sheets as amended.

SUBSTITUTE MOTION: Rep. Briscoe moved to split the funds of ongoing Early Intervention-Technology and K-6 Mathematics Literacy STEM Initiative by moving \$2.5 million from the Early Intervention-Technology, line item 6, rank 1 and \$2.5 million from the K-6 Mathematics Literacy STEM Initiative, line item 38, rank 3 to the one time list.

Co-Chair Stephenson and Sen. Urquhart spoke against the motion and explained the STEM initiative.

The motion failed with Sen. Jones, Rep. Briscoe and Rep. Moss voting in favor and Rep. Christensen and Rep. Nielson absent for the vote.

MOTION: Sen. Hillyard moved to approve all items on the ongoing and one-time lists on the blue sheets as amended.

SUBSTITUTE MOTION: Vice Chair Eliason moved to combine three line items from the ongoing list, move the new line item to 15 in ranking and appropriate \$550,000.

- USOE - Financial Management Programmers line item 18, rank 40
- USOE - IT Employees, line item 19, rank 41
- USOE - IT Staff Salary Increases line item 20, rank 38

Sen. Hillyard spoke against the motion.

The motion failed with Rep. Last, Vice Chair Eliason, Rep. Briscoe, Rep. Gibson and Rep. Powell voting in favor and Rep. Christensen and Rep. Nielson absent for the vote.

MOTION: Sen. Hillyard moved to approve all items on the ongoing and one-time lists on the blue sheets as amended.

The motion passes with Rep. Briscoe voting in opposition and Rep. Christensen and Rep. Nielson absent for the vote.

6. Adjourn

MOTION: Sen. Handy moved to adjourn. The motion passed unanimously with Rep. Christensen and Rep. Nielson absent for the vote.

Co-Chair Last adjourned the meeting at 7:31 pm.

Minutes were reported by Ms. Wendy Hill, Senate Secretary

Sen. Howard A. Stephenson, Co-Chair

Rep. Bradley G. Last, Co-Chair