

**MINUTES OF THE
JOINT PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE
MONDAY, JANUARY 23, 2006
Room W135, West Office Building, State Capitol Complex**

Members Present: Sen. Howard Stephenson, Co-Chair
Rep. Gordon E. Snow, Co-Chair
Sen. Beverly Evans
Sen. Karen Hale
Rep. J. Stuart Adams
Rep. Ron Bigelow
Rep. Duane E. Bourdeaux
Rep. Tim M. Cosgrove
Rep. James A. Ferrin
Rep. Julie Fisher
Rep. Greg Hughes
Rep. Karen W. Morgan
Rep. Stephen H. Urquhart

Members Excused: Pres. John Valentine

Members Absent: Rep. LaVar Christensen

Staff Present: R. Michael Kjar, Legislative Fiscal Analyst
Ben Leishman, Legislative Fiscal Analyst
Cherie Schmidt, Secretary

Public Speakers Present: Julie Adamic, State Charter School Board
Ray Timothy, Associate Superintendent USOE
Steve Winitzky, Charter Operator, Charter Schools
Jake Garn, Former U.S. Senator
Doug White, Vice-President of Testing & Research ATK Thiokol
Scott Sampson, Chief Curator, Utah Museum of Natural History
Fred Adams, Founder of the Shakespearean Festival
Carol Goodson, USOE Specialist

A list of visitors and a copy of handouts are filed with the committee minutes.

Committee Co-Chair Snow called the meeting to order at 2:10 p.m.

1. Approval of Minutes -

MOTION: Rep. Morgan made a motion to approve the minutes of the January 10, 2006 meeting.

The motion passed unanimously with Rep. Bigelow absent at the time of voting.

A Joint Appropriations Subcommittee Prioritization of General/Education Fund Budget Changes was given to each member of the Committee at the request of Committee Co-Chair Snow.

2. Public Education Agencies Budget Requests - State Charter School Board & MSP Charter School Items - Julie Adamic, State Charter School Board; Steve Winitzky, Charter operator, and Ray Timothy, Associate Superintendent USOE, introduced themselves to the Committee. Ms. Adamic spoke in support of the Charter Schools funding requests. Ray Timothy spoke in behalf of Dr. Patti Harrington, State Superintendent USOE, who was unable to attend this meeting. Mr. Timothy shared a letter written by Dr. Harrington. In this letter, Dr. Harrington states that the USOE Board is in support of increased funding to Charter Schools for administrative costs, a change in the local property tax replacement funding formula as proposed by Legislative staff, and ongoing funding for startup grants. The letter also states the following:

“At this late date, without additional analysis by my staff, and particularly without specific Board approval, I cannot endorse or lend my support to proposals that are outside of the Board’s official budget request.”

Steve Winitzky spoke on the importance of staff training support for Charter Schools. He stated that because there will be 15 new Charter Schools next year, there is a great need for training and support as they plan for the opening of school.

Ben Leishman, Legislative Fiscal Analyst, referred to the *Budget Analysis FY 2007* Tab 12 State Charter School Board. In the Issue Brief - Local Replacement Formula Change, Mr. Leishman referred to Revised Formula I—Debt Service Expenditures vs. Debt Service Revenue. With updated figures and including local revenue for debt service, the Local Replacement Formula per student climbs from \$1,142 which is the current-based formula to \$1,420 per student. In a recent research report, the Utah Foundation identified funding parity as one of the challenges faced by charter schools. In this report, the foundation identified several issues with the Local Replacement Funding Program. The first issue mentioned by the foundation is addressed in the “Revised Formula I” section of this issue brief. This item has been identified as a concern by the Analyst during the past few General Sessions. The “Revised Formula II” detailed in this brief attempts to address these formula issues. Estimates for the Revised Formula II change would generate a total of \$1,512 for each student enrolled in a charter school. The Revised Formula I change will require an increased Uniform School Fund appropriation for FY 2007 of \$5,242,700. The Revised Formula II change would require an increased Uniform School Fund appropriation for FY 2007 of \$6,971,500.

MOTION: Rep. Ferrin moved to appropriate the following in S.B. 4 “New Fiscal Year Supplemental Appropriations Act”:

To the State Board of Education - State Charter School Board from Uniform School Fund \$600,000 ongoing monies.

It is the intent of the Legislature that of the \$600,000 appropriated for the State Charter School Board, \$300,000 will be used to create three full-time equivalent (FTE) employee positions at the Education Specialist level to provide staff support to the State Charter School Board, and \$300,000 will be used to provide training to charter schools in their first year of operations and to Charter School governing boards. The State Charter School Board will issue a request for proposals for this training.

Rep. Ferrin further moved to include the following in S.B. 5, “Amendments to the Minimum School Program Budget.” (Refer to Handout)

Rep. Ferrin conducted his own study to determine funding inequities between Charter Schools and District Schools. He is in favor of funding Charter Schools on an equal basis. His study identified his view of where inequities exist. The motion presented captures specifically the changes to the Local Property Tax Replacement formula, the administration costs, the lease aid, and a one-time supplement to the current year’s budget. The motion also includes three FTE’s for the State Office of Education and \$300,000 for an RFP as part of the training program. Based on this study, Rep. Ferrin stated that the Charter Schools would be equitably funded with the changes.

SUBSTITUTE MOTION: Sen. Evans moved to wait on this motion until after the Board meets on Friday, January 27, 2006. The substitute motion passed unanimously with Rep. Bourdeaux absent at the time of voting.

Science Programs - Former U.S. Senator Jake Garn spoke on the importance of science in the educational system. He told of his personal experiences in science and the space program. Doug White, Vice-President of Testing and Research at ATK Thiokol, also discussed the importance of science programs that will reach out to young people in the schools. Scott Sampson, Chief Curator of the Utah Museum of Natural History, spoke in behalf of funding for the Informal Science Education Programs.

Committee Co-Chair Stephenson commented that the State of Utah is involved in a concerted effort for improvement in science and engineering in colleges and universities. He feels it is important to provide outreach to generate excitement and interest in science. Qualified math and science teachers are also needed in the classroom. Co-Chair Stephenson also feels that the Arts and Science Programs which have been combined in

the past are now mature enough to stand on their own. Sen. Evans also stated that everything should be done to encourage graduate students into scientific and engineering programs.

Ben Leishman, Legislative Fiscal Analyst, discussed the Budget Brief - Fine Arts and Sciences. The Analyst recommends that the Subcommittee review and prioritize \$330,000 in ongoing Uniform School Fund revenues to replace the loss of \$330,000 in one-time Uniform School Fund revenue in the FY 2006 budget. This funding will not continue into FY 2007 without Legislative action.

Mr. Leishman also discussed the Issue Brief - FAS Enhancement & Bifurcation. This brief provides information on an emerging proposal to separate the Arts Outreach Program and the Science Outreach Program into two distinct programs. A table is provided in the Issue Brief that gives a breakout of the two programs. The science organizations participating in the POPS Program (Clark Planetarium, Utah Museum of Natural History, and the Children's Museum of Utah) will continue to provide the same level of service and have the same revenue security of the four-year renewable system provided by the POPS Program. The Living Planet Aquarium would be included in this program. Including the Living Planet Aquarium would require an appropriation of \$80,000. An increase of \$170,000 is proposed for the RFP Program. The proposal also recommends \$300,000 in ongoing revenue be appropriated for the Science Enhancement Program. Finally, a proposed Science Enhancement Program would provide the capability for organizations participating in the program to apply for expansion funding. The objective of this program is to provide revenue to participating organizations to serve more students and teachers. Organization would be required to apply for these funds and demonstrate the additive nature (in terms of students/teachers served or program quality) of their proposal. The proposal recommends \$300,000 in ongoing revenue to support this program.

The Science Enhancement program is proposed as a pilot program. Based on a program review, expansion to the Arts line-item may provide a means for increasing the quality of Arts education provided to students and teachers by the various Arts organizations.

The bifurcation proposal also suggests providing a 10 percent performance increase to the organizations participating in the Professional Outreach Program. The proposed 10 percent would cost \$315,900.

The Subcommittee may wish to discuss the concepts presented in this brief and evaluate the necessity and potential outcomes of separating the POPS program into two programs.

Arts Program - Fred Adams, founder of the Shakespearean Festival, and Carol Goodson, USOE Specialist, spoke in behalf of the POPS Program. Ms. Goodson repeated what the State Board's funding proposal is for the coming year. They have requested \$330,000 one-time funding become ongoing for all of the organizations. \$80,000 to accommodate a new organization, and a 5 percent increase in overall funding.

Presentations were given by the following in support of the POPS Program:

Kyle Oram, student at Davis High School
Utah Festival Opera
Springfield Art Museum

3. Minimum School Program - This agenda item was deferred to the next meeting of the Committee.
4. Adjourn -

MOTION: Rep. Ferrin moved to adjourn at 3:40 p.m.

Minutes were reported by Cherie Schmidt, Secretary

Sen. Howard Stephenson, Committee Co-Chair
Chair

Rep. Gordon Snow, Committee Co-