

CORRECTED

# ARIZONA STATE SENATE

46TH LEGISLATURE  
FIRST REGULAR SESSION

## MINUTES OF COMMITTEE ON EDUCATION

**DATE:** February 17, 2003

**TIME:** 1:30 p.m.

**ROOM:** SHR 109

**CHAIRMAN:** Senator Hellon

**VICE CHAIRMAN:** Senator Mead

**ANALYST:** Kimberly Yee

**INTERN:** Tyler Manic

**ASSISTANT**

**ANALYST:** Dallas Gold

**COMMITTEE**

**SECRETARY:** Carol Dager

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### ATTENDANCE

### BILLS

<u>Committee Members</u>	<u>Pr</u>	<u>Ab</u>	<u>Ex</u>	<u>Bill Number</u>	<u>Disposition</u>
Senator Aguirre	X			SB 1133	DP
Senator Anderson	X			SB 1134	DPA/SE
Senator Jackson	X			SB 1142	FAILED
Senator Miranda	X			SB 1149	HELD
Senator Mitchell	X			SB 1187	DP
Senator Verschoor	X			SB 1211	DPA
Senator Waring	X			SB 1228	DPA/SE
Senator Mead, Vice Chairman	X			SB 1237	FAILED
Senator Hellon, Chairman	X			SB 1238	DP
				SB 1240	FAILED
				SB 1241	HELD
				SB 1297	HELD
				SB 1306	FAILED
				SB 1335	HELD
				SB 1355	FAILED
				SB 1356	FAILED
				SCR 1018	DP
				SCR 1023	DP

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### GOVERNOR'S APPOINTMENTS

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<u>Name</u>	<u>Position</u>	<u>Recommendation</u>
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Chairman Hellon called the meeting to order at 1:33 p.m., and attendance was taken.

## **APPROVAL OF MINUTES**

**Senator Mead moved the minutes of February 10, 2003 be approved. Without objection, the minutes were approved as distributed.**

## **CONSIDERATION OF BILLS**

Senator Hellon announced that she would be holding SB 1241, SB 1297, and SB 1335.

**SB 1241 – school districts; land recapture – HELD**

**SB 1297 – school tax credits; accountability – HELD**

**SB 1335 – school construction funding reform – HELD**

**SCR 1023 – William Polk Carey – DO PASS**

**Dallas Gold, Education Committee Assistant Research Analyst**, explained that SCR 1023 honors William P. Carey for his endowment to Arizona State University's (ASU) College of Business and for his support of the university, the Phoenix community and Arizona.

Senator Mead introduced **Dr. Michael Crow, President, ASU**, who explained what the endowment means to the university and Arizona. He pointed out that William Polk Carey invested \$50 million to move ASU's College of Business from national to global status. This gift will be invested in faculty, students, and program activities. He noted that Mr. Carey is the grandson of a territorial legislator, Mr. Armstrong, who wrote the legislation that created Tempe Normal College in 1885.

**Senator Mead moved SCR 1023 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 9-0-0. (Attachment 1)**

**SCR 1018 – honoring Arizona's teachers – DO PASS**

**Kimberly Yee, Education Committee Research Analyst**, explained that SCR 1018 honors Arizona's teachers for their hard work and outstanding contributions to the school children in the state. She also read the proclamation.

Senator Hellon asked all teachers in the room to stand and be recognized.

Senator Mitchell emphasized that although Arizona is one of the lowest states in funding education, Arizona's students are in the average or above average on national tests. Student successes are attributed to the teachers.

Senator Mead announced the individuals who registered their position on the bill (Attachment A).

**Senator Mead moved SCR 1018 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 9-0-0. (Attachment 2)**

## **SB 1356 – teachers; years of employment; reciprocity – FAILED**

Ms. Yee explained that SB 1356 expands a certificated teacher's eligibility for preserving years of employment.

Senator Mitchell suggested that it is standard practice to automatically start a teacher at least on the fifth step, giving them credit for five years of experience. Ms. Yee replied that it depends on the school district. The bill preserves the number of years a teacher worked at a previous school district when they move to another school district. The payscale might be different, but the years of experience are recognized under the bill. Also, the definition of tenure could be different between school districts. State law describes tenure in Title 15; generally indicating that tenure means a teacher who has been teaching for the major portion of three consecutive years.

In response to Senator Mitchell's question regarding whether charter school teachers were included in the bill, Senator Mead stated that it is his understanding that only certified teachers transferring from a charter school to a public school could preserve their years of experience.

In response to Senator Anderson, Ms. Yee replied that the fiscal impact is unknown because the Joint Legislative Budget Committee (JLBC) has not reviewed the number of teachers that may transfer. Senator Waring suggested that if there was a fiscal impact, it would not be to the general fund. Ms. Yee responded that the impact would be at the local level. Discussion occurred as to whether the bill would be linked to the teacher experience index which is associated with the general fund. Senator Mead suggested that if the bill is not linked to the index, the school district would have to make up the money.

**Barbara Robey, Director of Governmental Relations, Arizona School Boards Association (ASBA)**, testified that they are opposed to the bill, noting that it should be a local decision as to what teachers are needed in the school district. She noted that there could be a significant impact to school governing boards that would need to meet the different salary levels, particularly for teachers transferring from other states because of their higher pay status.

In response to Senator Mead, Ms. Robey stated that school boards currently can suspend the three years of tenure if they are having problems finding teachers. She agreed with Senator Verschoor's statement that the bill only recognizes a teacher's years of service and not necessarily their payscale; however, there could be an expectation that the pay would be considered. School districts are always concerned with costs and possibly would hire a teacher with less experience.

**Penny Kotterman, President, Arizona Education Association (AEA)**, emphasized that this is not a no-cost bill. In order for school districts to honor years of experience on salary schedules, they must have the funding and resources to do that. There are no statewide minimum salaries. She indicated that it is a good idea to honor years of experience for teachers moving between school districts; however, to do that without restructuring the salary formula would create chaos. It would cost the State a significant amount of money to credit all teachers with their full credited years of experience.

In response to Senator Mead, Ms. Kotterman replied that there is a concern that the bill is interpreted to be retroactive.

The bill was tabled to allow Senator Martin, the sponsor of the bill, to testify before the Committee.

## **SB 1133 – appropriations; universities; research facilities – DO PASS**

Mr. Gold explained that SB 1133 appropriates \$29 million for capital first year certificates of participation (COP) costs for the lease-purchase of buildings and infrastructure for research facilities at ASU and the University of Arizona (UA).

**Jim Lentine, President-Elect, Arizona Chapter, National Association of Industrial and Office Properties (NAIOP)**, commented that their organization provides industrial and office space for thousands of Arizona companies. Their business strategy is that they do not make money unless they attract businesses to lease or buy their buildings. The investment opportunity recently described by the presidents of ASU and UA was persuasive and compelling. However, most NAIOP contractors are not in the business of building public projects. NAIOP is involved because they are convinced that from an economic development point of view, this is the most exciting prospect on the horizon. He suggested that this is a way to grow out of the economic slump and to be on the forefront of scientific discovery. He emphasized that federal and privately funded scientific research money is growing. Arizona's economy is in desperate need of diversification and higher paying jobs. Technology is the real engine of growth for the economy and scientific research is the basis for most new technology. He suggested that the technology that comes from the university research facilities is what drives entrepreneurial opportunities for the private sector, which in turn creates hundreds of thousands of high paying jobs. ASU is currently out of space. He indicated that building additional research facilities at ASU and UA will allow the universities to compete for and win an even greater amount of the federal research dollars. These funds have been proven to generate at least a five-to-one return. The federal government will be investing \$112 billion in scientific research during the next fiscal year. Arizona's universities bring in only one-tenth of 1% of that money. Arizona must do more to attract a greater share of these dollars.

**Dr. Michael Crow, President, ASU**, noted that Arizona is at a momentary point in its history where its fiscal well-being is on the negative side. This has not been a consistent pattern and can be worked through. Some people may feel that this research infrastructure request comes at the wrong time; however, he stated that he feels it is exactly the right moment. The federal government's investment to science is the largest single investment in history, driven by the desire to help stimulate the economy. He pointed out that 50 years of accumulative analysis indicates that nearly half of all economic growth in the United States has been derivative of technical advances. In the last ten years, technical advancement is being driven by fundamental scientific discovery. Arizona is underprepared to be a participant. He asked the Committee to enhance the State's competitiveness in the development of a research infrastructure capacity that would allow their research faculty an opportunity to compete.

Dr. Crow mentioned that there are benefits from this investment. One benefit is constructing \$400 million worth of buildings in Phoenix and Tucson, all dedicated to fundamental discovery and technology development. The second benefit is the research work performed in these buildings will be financed by the federal government, foundations, and corporations, not by the State. For every dollar invested, an additional five dollars will be generated in research return and five to seven dollars in economic return to the community. Dr. Crow explained that in the long-term, the laying of this foundation will allow Arizona to be on the list of states that is viewed as actively engaged in building the basic fundamental discovery infrastructure.

Senator Anderson wondered what other states are moving forward on this type of project. Dr. Crow replied that many states are moving forward with their research infrastructure investments even in this moment of fiscal stress, specifically, California and North Carolina.

In response to Senator Jackson, Dr. Crow responded that Northern Arizona University (NAU) is eligible for these funds; however, they have opted out of this specific request because they have other requests regarding their building renovation issues. He pointed out that it is NAU's decision not to expand their research capacity and stay focused on the current level of research activity. NAU is supportive of ASU and UA going forward with this project.

**Greg Fahey, Associate Vice President, Government Relations, UA,** stated that they have expended over \$370 million on research, the vast majority of which is federal and private funds. They have a proven track record of being able to return five dollars for every one dollar of debt service that goes into their buildings. He explained that their share of this bill would enable them to construct four buildings (one in Phoenix) that will add almost 500,000 square feet of research space. This will allow UA to partner with ASU to really help move Arizona ahead in biotechnology and related fields.

**Sharon Harper, Greater Phoenix Economic Council and Greater Phoenix Leadership,** discussed the importance of investing in Arizona's future by developing an infrastructure that will diversify the economy and provide high wages and a variety of jobs. This bill is an investment in the future.

Senator Mead announced the individuals who registered their position on the bill (Attachment A).

**Senator Mead moved SB 1133 be returned with a DO PASS recommendation.  
The motion CARRIED with a roll call vote of 9-0-0. (Attachment 3)**

Senator Hellon announced that she would be holding SB 1149.

**SB 1149 – school district elections; candidates – HELD**

**SB 1228 – school councils; curriculum authority – DO PASS AMENDED/STRIKE EVERYTHING**

**Tyler Manic, Education Committee Intern,** explained the Aguirre two-page strike-everything amendment dated 2/12/03 at 2:00 p.m. which expands a school council's membership and requires a school council to establish guidelines relating to membership and selection criteria.

**Senator Mead moved SB 1228 be returned with a DO PASS recommendation.**

**Senator Aguirre moved her two-page, strike-everything amendment dated 2/12/03, 2:00 p.m. be ADOPTED. The motion CARRIED by voice vote. (Attachment B)**

**Senator Mead moved SB 1228 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 8-0-1. (Attachment 4)**

Senator Mead announced the individuals who registered their position on the bill (Attachment A).

**SB 1211 – community college districts; override elections – DO PASS AMENDED**

Mr. Gold explained that SB 1211 is an emergency measure changing the date for qualified electors of a community college district to vote on a community college district's expenditure limit override or levy limit override from a regularly scheduled general election to one of four consolidated election dates. He also explained three amendments: 1) Hellon two-line amendment dated 2/06/03 at 8:21 a.m.; 2) Hellon two-line amendment dated 02/07/03 at 2:13 p.m.; and 3) Hellon three-line amendment dated 2/14/03 at 3:46 p.m.

Senator Mead announced the individuals who registered their position on the bill (Attachment A).

**Michael Racy, Lobbyist, Pima Community Colleges**, testified that when the State passed a consolidated elections bill in the mid 1990s, one section of the community college election law was not conformed. That resulted in community colleges only being able to conduct an override election every other year. This bill would correct that situation and allow the community colleges to choose any one of the four consolidated election dates. The amendment would restrict the bill to only the November election date. The emergency clause was inadvertently placed on the bill and will be removed by amendment.

**Senator Mead moved SB 1211 be returned with a DO PASS recommendation.**

**Senator Mead moved the Hellon two-line amendment dated 2/06/03, 8:21 a.m. be ADOPTED. The motion CARRIED by voice vote. (Attachment C)**

**Senator Mead moved the Hellon two-line amendment dated 2/07/03, 2:13 p.m. be ADOPTED. The motion CARRIED by voice vote. (Attachment D)**

**Senator Mead moved the Hellon three-line amendment dated 2/14/03, 3:46 p.m. be ADOPTED. The motion CARRIED by voice vote. (Attachment E)**

**Senator Mead moved SB 1211 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 9-0-0. (Attachment 5)**

**SB 1134 – schools; tests; graduation requirements – DO PASS AMENDED/STRIKE EVERYTHING**

Mr. Manic explained the Mead seven-line, strike-everything amendment dated 2/12/03 at 5:00 p.m. to SB 1134 that continues the family literacy program until December 31, 2013.

**Paula Wood, Instructional Assistant, representing herself**, discussed what the family literacy program means to her. Previous to entering the program, she had enrolled in two other General Educational Development (GED) programs but eventually dropped out for lack of confidence. The positive support of the family literacy program teacher helped her realize her goals. She noted that she received her GED, is currently working at Summit View Elementary, and received a scholarship for Pima College. She is working towards becoming a teacher and has obtained an emergency substitute certificate. She announced that she was recently inducted into the National Honor Society.

Ms. Wood added that her children are proud of her and that she is able to assist them in their academic needs.

**Greg Hart, Dean, Adult Education, Pima College,** commented that he has never encountered a program that is more powerful or transforming as family literacy. This program gives adults a path to success and its effect ripples through the family.

**Representative Hershberger, sponsor of the bill,** explained that family literacy is one of the key component programs for prevention. It interfaces with citizens, promoting literacy among adults and children and promoting family support.

In response to Senator Anderson, Representative Hershberger replied that the family literacy program will sunset in January, 2004. This bill extends the sunset date.

Senator Mead asked how many states have a family literacy program. Mr. Hart responded that 11 states have similar programs; however, Arizona was the first to implement a program in 1995.

**Frances Pennington, Student,** mentioned that she dropped out of school and when she wanted to return, did not know where to go until she found the family literacy program. She was embarrassed that she had a learning disability because she had heard that mothers are a child's first teacher. However, if she could not read or spell, how could she help her children. She currently helps students with English and technology, assisting adults with learning disabilities.

**Gerie Cruz, Program Assistant,** noted that before entering the family literacy program, she struggled without an education. After ten years of receiving state assistance to raise her family, she had not progressed. After attending the family literacy program for one year, she received a GED. Currently she is a student at Pima Community College. She stressed that she is not the only success story, there are many in the program.

**Mary Hannaman, Administrative Director, Adult Basic Education (ABE), Rio Salado College,** noted that she cannot overstate the value of the activities in the family literacy program. The National Institute for Literacy released figures in 1996 that indicated that someone without a high school diploma earned up to 75% less than someone with a college degree. The same report showed that among adults with low literacy skills, 43% live in poverty and 17% receive food stamps. Among adults with strong literacy skills, less than 5% live in poverty and less than 1% receive food stamps. Research from the National Center for Family Literacy shows that families who participate in family literacy programs progress not only while enrolled in the programs but after participation. One year after participation, 66% of adults were in some form of higher or continuing education; 35% were employed, while only 10% were employed when they first came into the program. After two years, none of the children had been held back in school and over three-fourths of the children were rated by their teachers as average or above average. Family literacy programs in Arizona experienced similar successes last year: 1) 76% of participants made significant educational gains; 2) of the participants working toward an employment goal, 77% found jobs; 3) 88% of those with a goal of retaining or improving employment, did so; 4) 57% of those with a goal of receiving a GED, did so; 5) 77% of those with a goal of entering post secondary education, did so; 6) 51% of the children made significant language gains; 7) 74% of the children made significant problem-solving gains; and 8) 60% of the five-year-old children showed readiness for kindergarten. If Arizona does not support education of their adults, the economic impact will be felt for years.

Ms. Hannaman emphasized that families benefit from this program: 1) adults are better parents; 2) children learn that their parents value education and thus learn to value it themselves; 3) parents are more likely to have better paying jobs because they possess higher level skills; and 4) children are more likely to graduate, continuing the positive cycle of education, productive employment, and greater self-sufficiency. Arizona benefits from this program as well: 1) adults with higher paying jobs have more disposable income and add to the tax base; 2) a more highly educated workforce means industries from outside the state are more likely to consider relocating; 3) children who value education are more likely to stay in school and graduate; and 4) families are more likely to be economically self-sufficient and less depend on public assistance.

**Lynn Reed, Executive Director, Literacy Volunteers**, mentioned that adult education serves 49,000 individuals aged 16 and older. Family literacy is focused on educating the entire family and serves families with children through the age of seven. Last year, the family literacy program served over 1,000 families and 1,100 children.

Senator Hellon announced the individuals who registered their position on the bill (Attachment A).

**Senator Mead moved SB 1134 be returned with a DO PASS recommendation.**

**Senator Mead moved his seven-line, strike-everything amendment dated 2/12/03, 5:00 p.m. be ADOPTED. The motion CARRIED by voice vote. (Attachment F)**

**Senator Mead moved SB 1134 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 7-1-1. (Attachment 6)**

### **SB 1142 – schools; sex education – FAILED**

Ms. Yee explained that SB 1142 requires school districts with sex education curricula to provide instruction that is medically accurate and defines “medically accurate.” The bill also expands the authority of school districts providing instruction to pupils in kindergarten through 12<sup>th</sup> grade on acquired immune deficiency syndrome (AIDS) and the human immunodeficiency virus (HIV) to include other sexually transmitted infections.

**Senator Binder, sponsor of the bill**, suggested that millions of teenagers are sexually active, noting that by their senior year, two-thirds of teens have had sex. The majority of these students have not received any comprehensive sexuality education despite a clear need for information. The increased spread of sexually transmitted diseases (STDs), HIV, and AIDS makes it imperative that children are educated appropriately. Teenagers who receive comprehensive sex education are more likely to delay sexual activity, practice safe sex, and have fewer sexual partners. Comprehensive sex education addresses the full range of issues that arise during adolescence including sexual development, reproductive health, interpersonal relationships, body image, and decision-making. American parents overwhelmingly support sex education in schools. This bill does not make it mandatory to teach education, just to teach it correctly.

Senator Aguirre noted that schools are currently teaching sex education and wondered what is wrong with the current programs. Senator Binder replied that many of the schools are not providing the

appropriate information. She added that if a school does teach sex education, appropriate information should be used.

**Cathi Herrod, Director of Policy, The Center for Arizona Policy**, testified that they oppose the bill because it is not necessary. Sex education curriculum in Arizona is not a problem needing to be fixed by the Legislature. Sex education is an issue for local school boards and parents. SB 1142 would cause confusion and uncertainty about what may be taught regarding sex education. The State Board of Education (SBE) guidelines include six requirements for sex education courses. She shared two of the requirements: 1) stress that people should abstain from sexual intercourse until they are mature adults; and 2) stress that STDs have severe consequences and constitute a serious and widespread public health problem. She suggested that individuals involved in implementing sex education curricula at the local level are qualified to determine the best curricula and what is medically accurate.

Ms. Herrod noted that their second objection to the bill is that the definition of “medically accurate” is vague. It does not state who determines whether the curriculum meets the definition. The vagueness of terms and lack of clarity will lead to confusion. Some local school districts may decide not to offer sex education rather than try to determine if the program meets the definition. She also wondered who determines who is a “leading professional organization with relative expertise in the field,” as many organizations have opposite views regarding sex education.

Ms. Herrod suggested that SB 1142 is an attack on abstinence education programs. If that is not the intent of the bill, an option should be considered. One option would be to require that the sex education curricula be in accordance with the National Institute of Health. Another option would be to require that medically accurate information be obtained from the Medical Institute for Sexual Health.

Senator Mead stated that several people have indicated that this bill takes away local control; however, his interpretation of the bill is that local control would be expanded. Ms. Herrod replied that currently the local school district has the option to implement sex education curricula as they design it. By the State providing a definition of “medically accurate” and the school districts required to meet that definition, it would impede local control in determining what sex education they want.

**Harvey Wiener, Physician**, testified in support of the bill, speaking first as a parent of two teenage sons, and second as a physician. The important part of the bill is not the option for teachers to teach sex education but for medically accurate information to be given to the children. A perfect world would be that the parents teach the children the appropriate facts on sex, abstinence, and infections. However, that is not always the case.

Dr. Wiener addressed many of the STDs, pointing out the dangers and consequences of these infectious diseases. Children need to be given accurate information and it is important that the discussions taking place in the schools are appropriate. If the parents or schools do not teach children sex education, they will learn from their peers.

Dr. Wiener noted that Arizona is one of 15 states that does not mandate STD or HIV education. Out of the 15 states, Arizona is one of four that is required to teach abstinence but not prevention.

**Lynn Allred, Vice President of Public Policy, United Families International**, mentioned that this year’s attempt to define the term “medically accurate” is as troubling as last year’s failed attempt since scientific research can be found to support virtually any hypothesis. She provided information regarding the Center for Disease Control’s (CDC) approach to sex education.

**Natalia Chimbo, Student, Mesa High School**, testified that this bill affects her and other teens in a very important way. Unfortunately, most teenagers today get information about sex from their friends, provocative movies, the Internet, and through experimentation. Because of the lack of accurate information, teenagers get pregnant, contract STDs, and some even lose their lives to AIDS. She indicated that she believes that teaching abstinence in the school without ensuring the information is medically accurate is not the way to solve these problems. She provided examples of the current method of teaching sex education and the teens reactions to those classes. Most teens feel that more information should be provided, because most are embarrassed to ask questions about subjects not discussed, such as STDs. Statistically, approximately half of high school students have had sex; 48% female and 49% male. She noted that 61% of high school seniors have had sex with 21% having four or more partners. Perhaps if teenagers were more informed, the statistics would decrease.

**Jane Jimenez, Parent/Educator**, provided a handout (Attachment G) and testified in opposition to the bill. She referred to a report titled "Nationwide Advocacy Campaign Launched to Fight Increased Federal Funding for Unproven Abstinence-Only-Unitl-Marriage Programs." This report is part of a divisive battle between those who believe medically accurate information on sex leads to advocate, support, and teach abstinence to school-age children and those who believe people should actively promote and teach the use of condoms and birth control to school-age children. She indicated that this bill could open the State for lawsuits.

**Alan Storm, Assistant Superintendent, Sunnyside Unified School District**, mentioned that he is a certified HIV/AIDS educator. Arizona was one of the first states to mandate HIV/AIDS education in 1991; however, in 1995, Arizona chose to unmandate it. He indicated that it is irresponsible to not provide STD information to children considering the increase in the diseases. The overall mandate on sex education does not really point out the specifics on STDs.

Senator Mead announced the individuals who registered their position on the bill (Attachment A).

Senator Anderson distributed two handouts (Attachment H): 1) letter from Jim Rattay, Desert Vista High School discussing the effectiveness of the abstinence program; and 2) a news release on "Parents disapprove of current sex education teachings, Zogby Poll reveals." He noted that he is familiar with the current sex education programs taught in the Arizona schools. He stressed that Arizona's teen pregnancy rate has been reduced from 63.8% to 43.2% since 1991. He stated that he would prefer not to change the focus of the current programs when there appears to be some success.

**Senator Mead moved SB 1142 be returned with a DO PASS recommendation.  
The motion FAILED with a roll call vote of 4-4-1. (Attachment 7)**

### **SB 1356 – teachers; years of employment; reciprocity – FAILED**

**Senator Martin, sponsor of the bill**, pointed out that a number of educators are unable to move from one school district to another because they would lose their credit for years of service. He said that he believes this would provide more competition to allow the school districts to compete for the best teachers.

Senator Verschoor noted that he could not support this bill because he feels it could be quite expensive for the State. Senator Martin replied that the State is already paying for these teachers

whether they move or not. Senator Mead suggested the bill indicates it would be open to any teacher, in-state or out-of-state. Also, the bill appears to be retroactive. Senator Martin replied that he is working on an amendment to clarify the situation.

Senator Waring brought up that school district payscales are different and if a teacher moved from a lower-paying school district to a higher-paying school district, it would cost the State. Senator Martin agreed and noted that it could save the State money if the transfer was in reverse.

**Senator Mead moved SB 1356 be returned with a DO PASS recommendation.  
The motion FAILED with a roll call vote of 0-8-1. (Attachment 8)**

### **SB 1238 – schools; student level data; pregnancy – DO PASS**

Mr. Manic explained that SB 1238 requires student level data to include a special category for students who have withdrawn or are absent from school due to pregnancy or parenting.

Senator Anderson pointed out that they are trying to add one category to the existing report of why students drop out of schools.

Senator Aguirre wondered if there is any confidentiality issues concerning school administrators asking a student if they are pregnant. **Patricia Jo Angelini, Executive Director, The Arizona Coalition on Adolescent Pregnancy and Parenting**, replied that she is unaware of any law that would prohibit this information.

Ms. Angelini further noted that the reason a pregnant girl drops out of school is because she is pregnant. Currently, the school codes do not show that information. Arizona has the highest dropout rate in the nation and the third highest teen birth rate in the nation.

**Michael Smith, Associate, Arizona School Administrators (ASA)**, pointed out that his opposition to the bill is adding data to the current Student Accountability Information System (SAIS). A new category will need to be created to enter data related to a pregnant student dropping out of school. He noted a concern about family confidentiality. He wondered what law or policy is driving the need for this data.

Senator Anderson asked how the school administrators find out why a student drops out of school. Mr. Smith replied that after ten days of absence, a student is dropped. There is a form that can be completed which would have an area to explain the reason for the drop out; however, it is not mandatory that the form be completed or that a reason be given. He indicated that they have 20 days to update SAIS. Senator Anderson suggested that an area be added to the form to include pregnancy as a reason for the dropout. Senator Aguirre responded that currently it is not permissible to ask the type of information that would be entered into SAIS.

In response to Senator Anderson, Ms. Yee replied that there are a number of ways to address the conflict between Subsections H and I. "Medical history" could be removed from the SAIS language in the bill or clarifying information could be added.

Senator Mead wondered if this information would make the State eligible for federal funds. Senator Anderson replied that he feels the information could be helpful. Senator Mitchell stated that the

schools could develop programs for those students who feel they have no other choice than to drop out of school.

In response to Senator Aguirre, Mr. Smith replied that he is still troubled by how the data is collected. There is a possibility that the school administrator will make a judgement call. The purpose of SAIS is to track students. It is important that the data is provided by the dropout student and not a judgement call by a school administrator. Senator Anderson agreed to work on an amendment that would indicate that the data must come from the student.

**Art Harding, Arizona Department of Education (ADE)**, commented that the principle of the bill is sound; however, there is a concern whether the data is needed. Also, there is a concern about adding an additional indicator to the database.

**Senator Mead moved SB 1238 be returned with a DO PASS recommendation.  
The motion CARRIED with a roll call vote of 8-0-1. (Attachment 9)**

Senator Mead announced the individuals who registered their position on the bill (Attachment A).

### **SB 1187 – school tax credit; programs; activities – DO PASS**

Ms. Yee explained that SB 1187 expands the tax credit to public schools to include contributions made for supporting fee-based programs and activities.

Senator Mitchell noted that currently tax credits can only be included for extracurricular activities. He discussed a program in Tempe called “Open Horizon” that was being supported by tax credits until it was decided it was not an extracurricular activity. This bill would allow for the tax credits to be taken for a fee-based program.

Senator Verschoor questioned if this bill is in conflict with any other tax credit bills. Ms. Yee replied that the bill does conflict with some others; however, the bills can be moved out of Committee and through the process until it comes to a point where they would both be enacted and then appropriate action would need to be taken.

Senator Mead asked if there is a definition for “fee-based programs.” Ms. Yee replied that there is a definition in the bill in Subsection D. In response to additional questions from Senator Mead regarding the examples included in the bill, **Nikki Amberg, Democratic Staff**, explained that she asked the same questions of Legislative Council when the bill was drafted and they replied that it was not limited to the examples in the bill. Senator Hellon clarified that the language in the bill is the correct language. Ms. Amberg replied that if the Committee changes the language, Legislative Council stated that they would remove it.

**Senator Mead moved SB 1187 be returned with a DO PASS recommendation.  
The motion CARRIED with a roll call vote of 8-0-1. (Attachment 10)**

## **SB 1237 – school tax credit; classroom instruction – FAILED**

Ms. Yee explained that SB 1237 changes the use of the individual income tax credit allowed for contributions to a public school from the support of extracurricular activities and character education programs to the support and enhancement of classroom instruction. She also explained the Waring eight-line amendment dated 2/14/03 at 4:07 p.m.

**Janice Palmer, ASBA**, testified that they are in opposition to the bill, not the intent but the mechanism. Tax credits are bad tax and public policies, because the State does not know how many people will be taking a tax credit until they take it. Therefore, it is difficult to determine how much it will cost the State. By opening this up to classroom instruction, the State would increase disparity between school districts.

**Michael Hunter, Vice President, Arizona Tax Research Association (ATRA)**, testified in opposition to the bill and agreed with testimony given by ASBA.

**Senator Leff, sponsor of the bill**, explained that if a person is giving a donation to a public school and receiving a tax credit than that money should be used for whatever that particular school needs. The donation should enhance the overall education of the children. She noted that a parent should not receive a tax credit for a fee that a parent would be paying otherwise.

In response to Senator Anderson, Senator Leff replied that the amendment states that the school site council will decide where the donation is used. The original tax credits were not designed to allow the parent to direct their contribution to whatever they want; however, that is happening. This bill would allow the school site council to make the decision. She indicated that her priority is to enhance academic performance.

Senator Aguirre suggested that this bill creates more disparity between school districts. Senator Leff replied that currently only the wealthy school districts are getting the chance to have their fees paid. Under this bill, other organizations could donate to a school.

**Senator Mead moved SB 1237 be returned with a DO PASS recommendation.**

**Senator Mead moved the Waring eight-line amendment dated 2/14/03, 4:07 p.m. be ADOPTED. The motion CARRIED by voice vote. (Attachment I)**

**Senator Mead moved SB 1237 be returned with an AS AMENDED, DO PASS recommendation. The motion FAILED with a roll call vote of 2-6-1. (Attachment 11)**

## **SB 1240 – school tax credits; limitations – FAILED**

Ms. Yee explained that SB 1240 allows a taxpayer to claim either the public school extracurricular activities tax credit or the school tuition organization tax credit.

**Janice Palmer, ASBA**, noted that a person can take a tax credit for extracurricular activities or school tuition organization. She indicated that if a person has a choice between a \$250 or \$625,

most likely the public schools and the extracurricular activities will lose. Some people do take both tax credits.

Senator Mead suggested that the tax credit system is a backwards voucher. He indicated that the schools should not be funded through tax credits. This is not an equitable system statewide.

**Chambria Henderson, Executive Director, Arizona Scholarship Fund**, testified that she is opposed to the limitations.

**Jeffrey Kros, Legislative Liaison, Department of Revenue (DOR)**, indicated that through their analysis that approximately 11,513 people took both credits. The limitation would be a benefit to the general fund and revenue sharing of between \$2.3 million and \$7.2 million.

**Senator Mead moved SB 1240 be returned with a DO PASS recommendation.  
The motion FAILED with a roll call vote of 1-7-1. (Attachment 12)**

### **SB 1306 – school tax credit; reading programs – FAILED**

Ms. Yee explained that SB 1306 allows an individual income tax credit for the amount of any fees or cash contributions paid by a taxpayer to an Arizona public school in support of scientifically based reading programs, not to exceed specified amounts.

Senator Verschoor noted that this bill addresses the reading programs, helping in encouraging literacy and reading by third grade.

Senator Anderson asked if the reading program was in addition to regular instruction, would it not already qualify for tax credit as an extracurricular activity. Senator Mead explained that it would depend on whether the reading program is set up as a fee-based program. If this bill is to supplement the daily reading program, it would not qualify for the current tax credit.

**Michael Smith, Associate, ASA**, indicated his concern as to whether this tax credit would go into the Maintenance and Operations (M&O) funding.

Senator Mitchell noted that this bill expands a current tax credit.

**Senator Mead moved SB 1306 be returned with a DO PASS recommendation.  
The motion FAILED with a roll call vote of 3-5-1. (Attachment 13)**

### **SB 1355 – tax credit; teachers; school supplies – FAILED**

Ms. Yee explained that SB 1355 creates an individual income tax credit for teachers who purchase school supplies and materials for use in the classroom. In response to Senator Anderson, she noted that DOR has reviewed the fiscal impact of this bill and has noted that if all public school teachers take the maximum allowable credit, the estimated reduction in State income tax revenues would be approximately \$13.8 million.

In response to Senator Aguirre's question regarding home school teachers, Ms. Yee replied that the bill describes the qualified teacher as a kindergarten or grades one through 12 teacher. She

indicated she believes an amendment is being offered in the Finance Committee to more clearly address the qualifications of a teacher. Senator Mead noted his concern if a private school teacher can take this tax credit because they already can be reimbursed \$250 and this bill would give them another \$250.

**Senator Martin, sponsor of the bill**, explained that the Finance Committee passed an amendment that indicates that this tax credit would be for unreimbursed expenses only. Currently, public school teachers can be reimbursed for supplies if the activity is linked to character education. This bill is solely a reimbursement plan and different from the other tax credit bills. He emphasized that teachers must have receipts for their expenditures and they must be a full-time teacher teaching classroom instruction. A recent survey shows that the average teacher spends \$509 in the classroom; a first-time teacher could spend up to \$1,000 in expenses. In Arizona, teachers spend \$30 million unreimbursed for classroom supplies. Only 40% of the supplies are paid for by the school district. DOR has the ability to distribute these dollars through the tax system with no overhead; thus, 100% of the money goes directly to the teachers who are spending the dollars.

**Janice Palmer, ASBA**, testified that they oppose the bill, noting that this would be an additional \$250 credit. This is not a bad intent; however, the tax credit system is not the way to do this. During a budget crisis, this is not a good idea.

Senator Mead announced the individuals who registered their position on the bill (Attachment A).

**Senator Mead moved SB 1355 be returned with a DO PASS recommendation.  
The motion FAILED with a roll call vote of 1-7-1. (Attachment 14)**

There being no further business, the meeting was adjourned at 5:27 p.m.

Respectfully submitted,

Carol Dager  
Committee Secretary

(Tapes and attachments on file in the Secretary of the Senate's Office/Resource Center, Room 115.)