

ARIZONA HOUSE OF REPRESENTATIVES
Fiftieth Legislature – First Regular Session

COMMITTEE ON EDUCATION

Minutes of Meeting
Monday, February 14, 2011
House Hearing Room 3 -- 2:00 p.m. or upon adj. or recess of Floor

Chairman Goodale called the meeting to order at 3:04 p.m. and attendance was noted by the secretary.

Members Present

Mrs. Carter
Mr. Court
Mr. Crandell
Mr. Fillmore

Mr. Meyer
Mrs. Pancrazi
Ms. Proud

Mrs. Tovar
Mrs. Yee, Vice-Chairman
Mrs. Goodale, Chairman

Members Absent

None

Committee Action

HB2002 - DPA (7-3-0-0)
HB2177 - DP (8-0-0-2)
HB2219 - DPA S/E (8-0-0-2)
HB2301 - DPA (6-3-0-1)
HB2419 - HELD

HB2420 - HELD
HB2646 - DP (9-1-0-0)
HB2670 - DP (8-0-0-2)
HB2710 - DPA (8-2-0-0)

CONSIDERATION OF BILLS

HB2419 - schools; reading coaches - HELD

HB2420 - teachers; literacy instruction endorsement - HELD

S/E: same subject

Chairman Goodale announced that **HB2419** and **HB2420** will be held.

HB2002 - school district monies; associations; elections - DO PASS AMENDED

Vice-Chairman Yee moved that **HB2002** do pass.

Vice-Chairman Yee moved that the Goodale three-line amendment to **HB2002** dated 2/2/11 (Attachment 1) be adopted.

Jennifer Anderson, Majority Research Analyst, explained that HB2002 prohibits school districts from paying for membership in an association that attempts to influence the outcome of an election or that advocates support for or against pending or proposed legislation (Attachment 2). The amendment to HB2002 limits the prohibition strictly to associations that attempt to influence the outcome of an election and removes language dealing with lobbying for or against pending or proposed legislation (Attachment 1).

Representative John Kavanagh, sponsor, related that HB2002 requires the Arizona School Boards Association (ASBA) to follow the same rules as other government agencies by prohibiting taxpayer money from being spent to influence an election, whether it is for a person or a measure. The ASBA is a special 501(c)(3) organization that exists with permission of the Legislature to represent Arizona school boards, which are all government bodies. The money the ASBA receives from dues or selling services to school boards is public dollars, which is what it has been spending to influence elections. The fact that it is being “laundered” in this manner is not appropriate.

Mr. Crandell remarked that the Arizona Interscholastic Association (AIA) also takes public funding and asked if the bill will bar the AIA from working to promote referendums. He questioned if there is a definition of whether dollars are still considered public dollars after leaving the school district and going to a 501(c)(3) organization, chamber of commerce or other entity that might use the monies to try to influence an election. Representative Kavanagh responded that he is not aware of any referendum in which the AIA might be interested. While it may not legally be public money, the question is whether public agencies should be allowed to send money to groups to formally campaign against someone. This is a loophole that needs to be closed.

Mrs. Pancrazi questioned if donating her salary, which is paid by the state, equates to “laundering” if it is used to influence a campaign. Representative Kavanagh answered that is an individual’s money, not public money; he is not talking about individual members of the ASBA. He told the ASBA if it wants to influence an election to set up a political action committee (PAC) and have people donate to the PAC.

Discussion followed about other organizations that receive monies from school districts. Representative Kavanagh stated that it is not his intent to prevent school boards from joining chambers of commerce, which he believes set up their own PACs; he is willing to amend the bill so school districts are not banned from joining chambers and other organizations.

In response to further questions, Representative Kavanagh clarified that so far the ASBA has limited campaign expenditures to ballot referendums, but there is nothing in the law to stop the organization from campaigning against a Member for voting the wrong way on an education bill, for example. Discussion followed.

Chairman Goodale noted that the bill does not prohibit the ASBA from spending monies to influence an election; it states that school boards cannot send monies to the ASBA since it is being used for political purposes. This could make it difficult for the ASBA to continue to exist. Representative Kavanagh agreed, but added that the ASBA is free to earn money in other ways or keep the status quo and set up a PAC to segregate the two operations.

Mr. Meyer submitted that school districts cannot spend taxpayer dollars to promote an election, but once dollars leave their door and go to a corporation or 501(c)(3) organization, it is their money. This bill focuses on a single entity that raises the vast majority of its money through membership dues. Representative Kavanagh disagreed, noting that the problem is that the money is from school boards and it is used by school boards to influence elections.

Michael Hughes, President-Elect, Arizona School Boards Association (ASBA), spoke in opposition to HB2002. He stated that ASBA membership is voluntary. It is the only statewide organization that represents over one million students in Arizona public schools and it plays a very important role in the legislative and ballot process. He said he and the ASBA President, Dee Navarro, met with Representative Kavanagh to discuss this legislation. He is appreciative of the removal of the prohibition on lobbying efforts and supports the amendment; however, he has concerns about the overall bill. He plans to talk to the ASBA Board to determine a final position on the bill, but it has never been the intent or purpose to “launder” any money. ASBA never used money to endorse a candidate and is prohibited by law from doing so. The only thing the ASBA has done is donate money to issues that impact educational issues for children in Arizona.

Mr. Meyer remarked that Parent Teacher Associations (PTAs), for example, are set up under the same structure of 503(c)(3) and cannot advocate for candidates, but can advocate for ballot measures, and may also be impacted. Mr. Hughes agreed. He stated that the ASBA is attempting to clarify whether once money goes to Arizona Public Service, Salt River Project or the School Facilities Board, etc., it is no longer taxpayer money; however, he does appreciate the amendment to allow the ASBA to continue lobbying.

Mr. Meyer discussed the services the ASBA provides to school districts, which he perceives as its core mission. He asked what percentage of ASBA work relates to advocacy. Mr. Hughes speculated that not a huge percentage of money is put into ballot issues. Mr. Meyer surmised that under law it has to be smaller than a certain percentage in order to keep the 501(c)(3) status, to which Mr. Hughes agreed.

Vice-Chairman Yee announced the names of those who signed up in support of HB2002 but did not speak:

Kevin McCarthy, President, Arizona Tax Research Association

Vice-Chairman Yee announced the names of those who signed up in opposition to HB2002 but did not speak:

Martin Quezada, representing self

Charles Essigs, Director of Government Relations, Arizona Association of School Business Officials

Sam Polito, Tucson Area School Districts

Susan Carlson, Executive Director, Arizona Business and Education Coalition

Tom Dorn, Lobbyist, East Valley Chambers of Commerce Alliance

Jennifer Loreda, Arizona Education Association

Jerry Spreitzer, Arizona Federation of Teachers

Question was called on the motion that the Goodale three-line amendment to HB2002 dated 2/2/11 (Attachment 1) be adopted. The motion carried.

Vice-Chairman Yee moved that HB2002 as amended do pass. The motion carried by a roll call vote of 7-3-0-0 (Attachment 3).

HB2646 - JTEDs; adult students - DO PASS

Vice-Chairman Yee moved that HB2646 do pass.

Paul Benny, Majority Assistant Research Analyst, explained that HB2646 permits adult students to attend vocational programs on a centralized Joint Technological Education District (JTED) campus during school hours if the program has additional student capacity after enrollment of traditional pupils and the purpose of the program is skill retraining or upgrading (Attachment 4).

Jennifer Anderson, Majority Research Analyst, advised that under current statute, school districts are open to students ages 6 to 21; this bill expands the age limit to 22 and over.

Mr. Meyer questioned how it will be determined if the purpose is skill retraining or upgrading, which Mr. Benny surmised will be done through the JTED.

Representative David Gowan, sponsor, stated that this is only for a central campus, so it is not for a JTED that is attached to a high school. There are certain offerings in which people do not want to obtain a degree, but only want a certificate, which can be done at a central campus with students paying their own way. No college credits will be earned.

Mr. Crandell asked who accredits the certificates and if this will compete with programs offered at community colleges in the area. Representative Gowan answered that there will be no conflict with community college programs in the surrounding area.

Dr. Sally Downey, Superintendent, East Valley Institute of Technology (EVIT), spoke in favor of HB2646. She related that EVIT is asking for the ability to be allowed, whenever there is space, for a 23-year-old mother and single parent, for example, to take a nursing program, which is accredited by the State Board of Nursing. Many certificates do not require college credits. EVIT is not competing with community colleges; it is the precursor for college and can give someone a skill that can be used to earn his/her way through college. She noted that when Ken Bennett was President of the Senate, EVIT was given a two-year window to see if this would work in Arizona; it did, but she was not paying attention and it was sunset. She added that individuals will not earn college credits, but EVIT has articulation agreements; it is up to the community colleges as to how programs at EVIT are counted.

Mrs. Carter expressed concern about safety issues with individuals over the age of 22 in the classroom with children under the age of 22. Dr. Downey stated that during the two-year opportunity, adult students were fingerprinted and had background checks before entering programs, and letters were sent out to make parents aware, but there was never an issue raised.

In response to questions, she cited certificates available through EVIT and indicated that tuition depends on the program.

Ms. Proud urged the Members to tour EVIT.

In response to further questions, Dr. Downey related that almost all of the training is completed in one year.

Mr. Crandell expressed concern about overlaps and shared services with career and technical education, workforce development, high school, etc., and surmised that community colleges perceive this as competition, particularly the Certified Nursing Assistant and Licensed Practical Nurse programs. He opined that the only disadvantage is the inability to offer community college credits, but this is a step in the right direction.

Dr. Downey answered further questions concerning potential issues in the massage therapy program, class caps and availability and tuition.

Vice-Chairman Yee questioned if the sponsor is willing to consider a Floor amendment requiring parental consent in programs such as massage therapy and whether a fingerprint clearance card is appropriate when adults attend school with students under the age of 22.

Dr. Downey responded to questions concerning use of the GI Bill to attend EVIT, Pell grants, enrollment during the two-year window and current openings.

Representative Gowan advised that he is amenable to including the language suggested by Vice-Chairman Yee. He is also willing to discuss potential language to specify the programs that will be considered for skill retraining or upgrading, not including massage therapy. He added that he does not believe this is opposed by community colleges. The intent is to try to improve education for students and citizens in order to have a good workforce.

Vice-Chairman Yee announced the names of those who signed up in support of HB2646 but did not speak:

Tim Carter, Yavapai County School Superintendent
Stan Barnes, East Valley Institute of Technology

Question was called on the motion that HB2646 do pass. The motion carried by a roll call vote of 9-1-0-0 (Attachment 5).

HB2301 - schools; instructional salaries; soft capital - DO PASS AMENDED

Vice-Chairman Yee moved that HB2301 do pass.

Jennifer Anderson, Majority Research Analyst, explained that HB2301 requires school districts to spend at least 50 percent of their maintenance and operations (M&O) budget on teacher salaries and lifts the restrictions on use of the Soft Capital Allocation (Attachment 6). She identified the provisions in the following amendments:

- A four-line Goodale amendment (Attachment 7) exempts transporting school districts from the requirements of the Instructional Salaries Fund and delays implementation of the Fund until FY 2013.
- An 18-line Yee amendment (Attachment 8) requires each school district to post the amount and percentage of M&O monies spent on instructional salaries for current teachers and paraprofessionals on its website and forward the information to the Arizona

Department of Education (ADE) so ADE can include a consolidated list on its website. It exempts school districts that do not have a website or an adequate website and allows them to forward the information to ADE for posting on its website.

Representative J. D. Mesnard, sponsor, stated that when he was campaigning, he often heard that people want to see education money go into the classroom. It makes sense for legislators as policymakers to set a state priority for the education system by requiring that at least half of the M&O money should go to teachers.

Mr. Crandell remarked that the bill may impact small, rural schools more than larger, urban schools and asked if the provision specifying that Fund monies must be used for salaries includes benefits. Representative Mesnard replied that the language does not include benefits; however, he is amenable to an amendment: page 2, line 38, after "SALARIES" add "AND BENEFITS." He is aware that there are other ways of compensating teachers beyond salary and suspected that many school districts will already be at 49 percent or higher.

Mr. Meyer commented on the impact to school districts, especially smaller schools. Representative Mesnard indicated that if school districts raise issues, he is perfectly willing to make changes that make sense.

Chairman Goodale said normally there is some rationale to how staff is managed and asked if data is available to justify the requirements in the bill, to which Representative Mesnard answered in the negative. Mr. Meyer indicated that the Morrison Institute recently conducted a study about appropriate levels of spending for education in Arizona. He said he perceives this as another unfunded mandate placed on school districts that is similar to one already passed requiring budget information to be posted on a school district's website and ADE's website.

Representative Mesnard indicated to Vice-Chairman Yee that he did not speak with anyone from the education community about the bill because he knows this is something about which there will be no compromise.

Mrs. Carter noted that the bill identifies paraprofessionals as one of the specific job titles of someone providing direct classroom instruction. She was originally hired as a school librarian, but she provided direct classroom instruction, so she wants to make sure the different positions that do so will be included.

Janice Palmer, Governmental Relations Analyst, Arizona School Boards Association (ASBA), opposed HB2301. She stated that this is an issue of flexibility to use soft capital, which is appreciated, but in relation to the 50 percent, there is no rationale. The education community prefers to have local flexibility to focus on outcomes rather than inputs.

Ms. Anderson discussed changes to soft capital funding from FY 2010 to the present, as well as funding for education from propositions that were passed.

Vice-Chairman Yee moved that the Goodale four-line amendment to HB2301 dated 2/11/11 (Attachment 7) be adopted. The motion carried.

Vice-Chairman Yee moved that the Yee 18-line amendment to HB2301 dated 2/11/11 (Attachment 8) be adopted. The motion carried.

Vice-Chairman Yee moved that HB2301 as amended do pass. The motion carried by a roll call vote of 6-3-0-1 (Attachment 9).

Vice-Chairman Yee announced the names of those who signed up in opposition to HB2301 but did not speak:

Craig McDermott, representing self

Charles Essigs, Director of Government Relations, Arizona Association of School Business Officials

Sam Polito, Tucson Area School Districts

Jennifer Loreda, Arizona Education Association

HB2177 - schools; 180 days; conforming changes - DO PASS

Vice-Chairman Yee moved that HB2177 do pass.

Paul Benny, Majority Assistant Research Analyst, explained that HB2177 conforms all statutory references related to the number of instructional days required for public schools from 175 days to 180 days (Attachment 10).

Jennifer Anderson, Majority Research Analyst, clarified that the bill only makes technical corrections to statute because there were statutory references to 175 days before the law was passed requiring schools to operate for 180 days.

Vice-Chairman Yee announced the names of those who signed up in support of HB2177 but did not speak:

Tim Carter, Yavapai County School Superintendent

Question was called on the motion that HB2177 do pass. The motion carried by a roll call vote of 8-0-0-2 (Attachment 11).

HB2670 - school districts; electronic record keeping - DO PASS

Mr. Meyer moved that HB2670 do pass.

Stephanie Jaffa, Majority Research Staff Intern, explained that HB2670 permits school districts to maintain public records in electronic format (Attachment 12).

Mr. Meyer, sponsor, stated that this was brought to his attention by Dayna Brock who pointed out that the Scottsdale Unified School District (SUSD) is spending thousands of dollars every year to put records on microfilm at a time when SUSD personnel have made a conscious effort to go paperless. He introduced the bill to save the school district money and eliminate red tape. He acknowledged that the bill says *may* and not *shall*.

Dayna Brock, District Registrar, Scottsdale Unified School District (SUSD), representing self, spoke in support of HB2670. She stated that SUSD currently spends about \$5,000 per year to

microfilm records, which is expensive, antiquated and does not include the cost in man-hours to prepare the records for microfilming. Transferring records in digital form will save time and money.

Mr. Crandell noted that a plane crash occurred in the Round Valley School District that destroyed records. He suggested a provision to store records off-site in a secure location. Ms. Brock indicated that it makes sense for records stored in digital form to be backed up, possibly in another state, in case a natural disaster or something occurs within the local area.

Vice-Chairman Yee announced the names of those who signed up in support of HB2670 but did not speak:

Tim Carter, Yavapai County School Superintendent

Charles Essigs, Director of Government Relations, Arizona Association of School Business Officials

Janice Palmer, Governmental Relations Analyst, Arizona School Boards Association

Sam Polito, Tucson Area School Districts

Jennifer Loreda, Arizona Education Association

Ron Lee, representing self; Arizona State Impact Aid Association

Vice-Chairman Yee announced the names of those who signed up as neutral on HB2670 but did not speak:

Pamela Tucker, representing self

Question was called on the motion that HB2670 do pass. The motion carried by a roll call vote of 8-0-0-2 (Attachment 13).

HB2710 - study committee; outcome-based funding - DO PASS AMENDED

Mr. Crandell moved that HB2710 do pass.

Mrs. Pancrazi moved that the Pancrazi 15-line amendment to HB2710 dated 2/11/11 (Attachment 14) be adopted.

Paul Benny, Majority Assistant Research Analyst, explained that HB2710 establishes the 12-member Joint Legislative Study Committee on Outcome-Based Education Funding (Attachment 15). The amendment to HB2710 increases membership to 13 by removing one Senator and one Representative appointee and adding elementary, middle school, and high school certified teachers (Attachment 14).

Mr. Crandell, sponsor, stated that as he visited with stakeholders in preparing legislation whereby any entity that would like to accept a contract from the state to provide educational services will be paid on specific outcomes, he realized that will not be possible to accomplish this Session. Instead, he decided to sponsor legislation to establish a Study Committee to form that legislation because it is a huge undertaking. He believes it is important to do this in order to reform such a huge part of the state budget. In response to questions, he clarified that in order for school districts to obtain funding, every student will need to meet the required outcomes, for example, on the reading level.

Mr. Meyer asked if a school district with a challenging student population will not receive funding if students do not reach a specific standard, and if funding is not received, how teachers will be paid to teach to that standard. Mr. Crandell indicated that will be part of the work of the Study Committee. There needs to be a transition period to be decided among the stakeholders. This will make sure students are at grade level and, if not, whether the state should be paying for them.

Vice-Chairman Yee asked if this could be discussed in stakeholder meetings rather than by establishing a Study Committee. Mr. Crandell answered that sometimes stakeholders are able to meet and sometimes not, so the issue lingers on and on. This provides a timeline.

Vice-Chairman Yee commented that it appears there is already an end goal to what the Study Committee should be doing rather than having discussions and making recommendations, which is the purpose of a Study Committee. Mr. Crandell answered that the goal is to develop a bill to sponsor during the 2012 Session to consider paying for outcomes the state wants to influence.

Zach Tretton, Assistant Director of Policy Development and Government Relations, Arizona Department of Education (ADE), expressed support for the proposed Study Committee. He noted that he spoke to Mr. Crandell about including language to have the Superintendent of Public Instruction appoint a more appropriate ADE representative, perhaps from the Academic Performance Division or the Academic Achievement Division, to which Representative Crandell is amenable. He indicated to Mr. Meyer that he does not know how this will fit with the Governor's P-20 Council.

Mr. Meyer commented that the SUSD has much data on students, etc., and he is concerned that will be derailed by this Study Committee. Other groups have done similar work with stakeholder groups. Mr. Crandell responded that the difference is, if the school districts can go to a contract service and pay for an outcome, Title 15 will go away. The school district will be an independent contractor that works at its own pace, so there will be local control without unfunded mandates.

Chairman Goodale submitted that it sounds like the end result has already been determined and the Study Committee will decide how the change will be implemented. Mr. Crandell said that may be true, but things could change as the result of the Study Committee.

Vice-Chairman Yee announced the names of those who signed up in support of HB2710 but did not speak:

Tim Carter, Yavapai County School Superintendent

Stacey Morley, Director, Policy Development and Government Relations, Arizona Department of Education

Vice-Chairman Yee announced the names of those who signed up as neutral on HB2710 but did not speak:

Janice Palmer, Governmental Relations Analyst, Arizona School Boards Association

Question was called on the motion that the Pancrazi 15-line amendment to HB2710 dated 2/11/11 (Attachment 14) be adopted. The motion carried.

Mr. Crandell moved that HB2710 as amended do pass. The motion carried by a roll call vote of 8-2-0-0 (Attachment 16).

HB2219 - school districts; consolidation; textbooks - DO PASS AMENDED S/E
S/E: study committee; unification; consolidation

Mr. Fillmore moved that HB2219 do pass.

Mr. Fillmore moved that the Fillmore two-page strike-everything amendment to HB2219 dated 02/10/2011 (Attachment 17) be adopted.

Mr. Fillmore moved that the Fillmore 10-line amendment to the strike-everything amendment to HB2219 dated 2/11/11 (Attachment 18) be adopted.

Stephanie Jaffa, Majority Research Staff Intern, explained that the strike-everything amendment to HB2219 (Attachment 17) creates the 14-member Joint Legislative Study Committee on School District Unification and Consolidation (Attachment 19). The amendment to the strike-everything amendment to HB2219 adds one county school superintendent each from a rural and urban county and makes a technical change (Attachment 18).

Mr. Fillmore, sponsor, stated that he does not believe money is going to school classrooms and teachers. There are 228 school districts and only 15 counties, and there is a lot of duplication, redundancy and administrative levels. The idea is to look at six school districts per county. Stakeholders will be brought to the table, and he suspects that a change will be made to do what is right for students in Arizona and get money to the teachers.

Mr. Court stated that he hopes the Committee will assure that money will be saved and the overhead burden is not just shifted from many districts to one large district.

Becky Hill, Stand for Children, spoke in support of the strike-everything amendment to HB2219. She said after the School District Redistricting Commission effort, many people are somewhat burned out on this issue, but it is important to keep trying. Besides the savings in efficiencies and the academic benefit, Stand for Children supports this bill because one of the pillars that guides the organization is accountability for adults based on outcomes for students, and the organization believes strongly in what works. It is difficult to measure, track and conduct research on what works with 228 school districts that are not similarly designed, so a uniform measurement is needed. She endorsed the amendment to the strike-everything amendment to include the county superintendents so there is local representation.

Vice-Chairman Yee announced the names of those who signed up in opposition to the strike-everything amendment to HB2219 but did not speak:

Martin Quezada, representing self

Tim Carter, Yavapai County School Superintendent

Question was called on the motion that the Fillmore 10-line amendment to the strike-everything amendment to HB2219 dated 2/11/11 (Attachment 18) be adopted. The motion carried.

Mr. Fillmore moved that the Fillmore two-page strike-everything amendment to HB2219 dated 2/10/11 (Attachment 17) as amended be adopted. The motion carried.

Mr. Fillmore moved that HB2219 as amended do pass. The motion carried by a roll call vote of 8-0-0-2 (Attachment 20).

Without objection, the meeting adjourned at 5:52 p.m.

Linda Taylor, Committee Secretary
March 2, 2011

(Original minutes, attachments and audio on file in the Chief Clerk's Office; video archives available at <http://www.azleg.gov>)