

MINUTES OF THE MEETING
OF THE LEGISLATIVE SUB-COMMITTEE ON APPROPRIATIONS FOR EDUCATION

January 25, 1977

8:00 A. M.

Room 132

State Capitol Building

Subject: OSPI, Work Session

The meeting was called to order by Chairman Carroll South.
The following members of committee were present:

Sen. Matt Hims1
Sen. Larry Fasbender
Rep. Ora Halvorson
Rep. Jack Moore
Rep. Oscar Kvaalen

Chairman South welcomed Georgia Ruth Rice to the meeting. She was accompanied by Bill Byers, Finance Director.

In opening, Ms. Rice stated that the Governor had reviewed their budgets and had deleted some items; now this was being done again and they did not know how to further cut the budget without it drastically affecting the quality of education in the school districts.

Chairman South said that it was his understanding that there were some federally-funded programs that were taken out completely but yet they seemed to still be in the current base spending level. Bill Byers answered that Indian Education had been cut back or at least the funding had changed. When the program had started, it was funded entirely by federal funds. This was the case until two years ago when it was changed to 1/3 state and 2/3 federal funding. Byers said they are now being requested to change funding to 50% state and 50% federal. They consider current level being the appropriation of general fund dollars that was given at the 1975 biennium request. These dollars will retain the program. Ms. Rice explained the use of JOM (Johnson-O'Malley) funds which use to come to the OSPI and now are being taken by three tribes who have contracted directly with the federal government. She explained the bilingual-bicultural program which is being used in Indian Education. Sen. Hims1 had specific questions regarding just what the program is. Ms. Rice said that she looks for all JOM funds to eventually be in the hands of the Indian tribes and that they will be their responsibility as to how they are used. Chairman South expressed concern that this type of program will eventually be expected to be entirely state funded and felt that the legislators may be locking themselves into a program that once was totally federally funded. Ms. Rice said that since there is a great deal of emphasis on these programs now the OSPI shares the legislators' concern and it is hoped that the federal government will see fit to continue to put funding into the program. She said that they are applying for federal grants in addition to the federal funding.

It was in the Master Plan for Indian Education that the Indian people themselves would eventually take over the administration of the program and the monitoring of the funds. By constitution the Indian Education people are charged with carrying out the plan. One of the things included is a six-credit teacher training plan whereby teachers could get additional needed credits by continuing education while working at their jobs.

Rep. Matt Himsel wanted to know what would happen to this program if the Legislators see fit not to fund their portion. Could the program carry on as it is now. Ms. Rice said that it could because of \$40,000 which is available in the general fund. She said if they get the grant that they are applying for it would bring \$30,000 into this program.

Chairman South inquired about additional programs that are being phased out such as National Science Program, Title III, Title II, and Nutritional Education. Bill Byers said that these programs are gone and are not part of the general fund budgeting; but Chairman South said that they are in the spending authority for 1976. Byers replied that the programs were not a part of the general fund authority. He said that they based part of this request on appropriations of previous bienniums and now only apply inflation factors to those programs. Chairman South said that he wanted to know if it were true that these programs are being phased out entirely and there is not general fund money expected. Bill Byers said that this is true--the National Science fund is out completely, Title III is out completely and some of Title II is out. We are spending the remainder of our carry-out funds this year. We have no anticipation for these funds for these in the future.

Ms. Rice said that the Title III program is now Title IV. We have consolidated all of those Title III and IV programs into one. This transition is essentially completed and Title IV is the only one remaining.

Chairman South asked Ms. Rice if she was considering putting her employees into a pay plan. She answered that they are either going to have to set up an actual pay plan of our own where employees come in at a level and continue on or we are going to have to go on a pay plan. I need to look into this, she said, and I assume if we go to any kind of pay plan, it will either look just like the state pay plan or we won't be able to accept it. She said that there are people on the payroll that came in on an individual basis. She said that an evaluation would be made based on the individual, education and duties expected of them. She said that the problem with the pay plan is that they have nothing with which to compare an educator with other state employees.

Chairman South said that the OSPI now has 240 employees and some are administrators with a background of education. They have the same function as administrators in other areas. He said that there should be the same functions as administrators of other areas. He said that it seemed to him that there should be some effort to get them on the state payroll since they are state employees. He said if the pay plan is going to work, it needs to be uniform and the same across the state. He felt these employees should not have been exempt in the first place.

Ms. Rice said that it should be considered that by going on the pay plan in her department, the cost for employee salary may be higher.

Chairman South said that he didn't agree with this. He thought that the reason they were exempt in the first place was so they could get higher salaries not less.

Sen. Kvaalen addressed Ms. Rice regarding Vocation-Education and if schools are being periodically visited and programs reviewed and/or evaluated within the school system. Sen. Himsl also had questions regarding the visitation of programs, how many people were involved on the team and how many schools were involved. Ms. Rice said that there are 640 schools to be visited in the state and that there is a professional team of 9 persons. She said that it is impossible to visit every school and do a complete evaluation but that they do reach the majority of schools in some way. She said that the areas they are particularly concerned with is teacher accreditation, academic programs and teacher-student ratio and that as much evaluation is done each year as it is possible to do with the staff that is available.

Sen. Kvaalen asked what amount of money in the budget goes to vocation-education. Ms. Rice said that she didn't have that information with her but she would get it for the committee.

There was a discussion led by Sen. Himsl who wanted to know what category evaluation comes under in the budget. And if evaluation of school programs is under the caption of state planning, what does that mean? Members of the committee also asked about the programs that are being planned for the gifted and talented child. Ms. Rice said that they have to write a five-year plan in education and that a program for the gifted and talented child is now being worked on. She said that they must start at the beginning in this program since they don't have much information about this type of child to work with in planning a program; however, she said that they have a mandate from the federal government to plan something within the school system for the gifted child. In answer to Sen. Himsl's question, Ms. Rice said that there are several tests that are being used in evaluation and that there is some over-lapping in the visitation to schools by different departments. This, she plans to correct. She said that she is concerned about the response that she may soon get from parents across the state who will question her regarding programs for special education and programs for gifted children, and will say that their child is a normal child and not getting an education. Sen. Himsl expressed concern regarding the labeling of children. He felt that there is too much of this at the present time. He is wondering who will evaluate the child and make this distinction and who will evaluate the program. Ms. Rice said that grants are now being written requesting funding for this type of program for the gifted child. She said that they are now requesting funds to investigate and set up a tentative program.

Rep. Moore asked if the legislators cut the money from the budget for this program if it would jeopardize the Title 4 money. Bill Byers answered that it would.

There was continued discussion regarding school program evaluation. Ms. Rice said that Northwest Accreditation sets the scale that is followed for this state and all schools are evaluated by their standards. Each school is expected to be totally evaluated every ten years. Two persons are actually assigned to evaluation and specifically charged with it by a Sub-committee Board who in turn reports to the Board of Education. Sen. Himsel asked if this was included in #205 and Ms. Rice said that it would be included in #209.

Ms. Rice said that they hope to become a resource center for all teachers throughout the state and that whatever resources they need to help in their work that they would be able to get that help through the OSPI.

Rep. Moore questioned the number of full-time employees who are needed in Project Exchange, the Resource Center. Ms. Rice said that this program is slowing becoming a federally funded program and in time will be totally funded without state money. There are six full-time employees in this project when the budget actually calls for two. Rep. Moore asked if the additional four employees could be funded entirely with federal funds and Bill Byers answered that they could be. Two employees are paid with general fund monies and four are paid with federal funds.

Chairman South wanted to know of Bill Byers if the budget always shows what federal funds they have. In other words, when they are requesting general fund money, do they show in their records that they have a certain resource. He noted several instances when they were refused any more general fund money, and they were about to replace their request with federal funds quite rapidly. Chairman South wanted to know if all federal funds either on hand or anticipated is shown when making requests for general funds. Bill Byers answered that they were.

Chairman South also questioned the wisdom of hiring full-time employees using federal funding for their salaries. He said that it seemed to him to be a dangerous practice since federal funding may be withdrawn and the state will be expected to carry on the program. Ms. Rice said that the criteria used is if the program is useful and needed and what the needs of the school districts are. Chairman South and Senator Fasbender also led in a discussion regarding the practice of showing on the books that general fund money had paid the rent on the Eleventh Avenue offices. In doing this they were able to build up some reserve of money, but since the rent, utilities, janitorial service, etc., are furnished free to them, it is illegal to build up a reserve in this way. Sen. Fasbender specifically charged Bill Byers with this knowledge and said that he hoped he understood the importance of not handling funds in this manner any more. Chairman South emphasized this--that the general fund money was being used in a way it should not be used and that this practice should not be continued.

Rep. Himsel asked Ms. Rice to explain the difference between the two items listed in the budget--food service and nutrition. Ms. Rice said that food service is concerned mainly with the actually preparing of food, service to the students and the care

of food while Nutrition is concerned with the planning of meals, menus, nutritional balance, uniformity of the program and making meals appealing to students, etc., Ms. Rice said that there has to be constant evaluation of the school lunch program because of prices, the availability of foods, revision of menus, and the response from students and parents. She said that there is a great deal of flexibility within the program.

This led to a discussion regarding the manner in which food is stored and distributed. The food used in school lunch programs throughout the state is all shipped into Helena in car-load lots. It is then distributed to the local school district which in turn pays for their share. It is set up in a revolving account type of system. The storage of the food and the distribution to the school districts is contracted out to local food wholesale people. Sen. Kvaalen asked if this wasn't a more costly system than having the government ship food directly to the school but Bill Byers said that he was sure that this system being used was less expensive since everything was on a state-wide level and the school districts paid for the distribution and the records were kept in Helena regarding needs of schools, shipment, etc.,

Sen. Kvaalen wanted to know if surplus GSA vehicles go to schools. Bill Byers said that the school districts are furnished with a list of eligible donees and that GSA is listed among those who have surplus vehicles and materials.

Sen. Fasbender wanted to know if Ms. Rice expected to put the OSPI employees on the state pay plan. She reiterated what she had earlier told Chairman South when he asked this question. (Sen. Fasbender had been excused and had come into the meeting after the previous discussion regarding this matter.)

Rep. Moore asked Ms. Rice if it were her intention to comply with the regulations set down for her office by the Board of Education. Ms. Rice answered that this was her intention. She also informed the committee that both she and Bill Byers would get them the information that they had requested in several different areas.

This meeting adjourned at 10:00 A. M. After a short recess the committee returned to form a work meeting where some decisions were made.

A work session was called at 10:15 A. M. to make a decision regarding the Montana Art Council.

A motion was made by Rep. Kvaalen that no general fund money would be appropriated for local grants or match money.

Voting was as follows:	Rep. Kvaalen	- aye	
	Rep. Moore	- aye	
	Sen. Himsl	- aye	
	Sen. Fasbender	- aye	
	Rep. South	- no	
	Rep. Halvorson	- no	Motion carried.

Representative Moore made the motion to recommend that the Mountana Arts Council be appropriated \$76,367.00 in fiscal 1978 and \$78,084 in fiscal 1979 for a total of \$154,451. This is comprised of \$55,624.00 general fund and \$20,743.00 federal fund in fiscal 1978 and \$57,232 general fund and \$20,852.00 federal funds in fiscal 1979. Unanimous.

Advisory Council for Vocational Education:

Representative Moore made the motion to accept the legislative fiscal analyst recommendation for the advisory council for vocational education which is \$50,000 per year of federal funds.

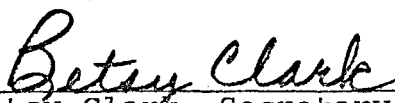
Representative South - yes
 Representative Halvorson - yes
 Representative Kvaalen - yes
 Representative Moore - yes
 Senator Fasbender - yes
 Senator Himsl - no

Senator Himsl thought that \$75,000 federal funds might be available and \$75,000 should be appropriated so a budget amendment would not be necessary.

Board of Public Education:

Rep Moore made the motion that the Board of Public Education expenses for the board be \$18,550.00 general fund per year. This funds the board per diem, travel, phone and dues for the board. This does not give consideration to board staff. Unanimous.


 CARROLL V. SOUTH, CHAIRMAN


 Betsy Clark, Secretary