

State of Montana
46th Legislative Session

EDUCATION COMMITTEE

Minutes of Meeting

A meeting of the Education Committee of the House of Representatives was called to order at 12:30 p.m. on February 7, 1979 in Room 104, Capitol Building, by Chairman Peter J. Gilligan.

The roll was taken and shows Representative Eudaily excused; all other committee members were present.

Chairman Gilligan asked Representative Ann Mary Dussault to explain to the committee the three bills she sponsored and which were being heard by the Education Committee at this meeting. Representative Dussault told the committee the three bills dealt with related subject matter and briefly explained each one -- HB 171 (an act repealing the sunset provision for regional special education services); HB 446 (an act to clarify provisions relating to teacher tenure under educational cooperative agreement contracts entered into by school districts or other public contracts entered into by school districts or other public agencies); and HB 298 (an act authorizing special education cooperative contracts; detailing the contents and requirements of the contracts; authorizing the school district to appropriate funds). Representative Dussault passed-out amendments to HB 446.

Proponents of HB 171, HB 298 and HB 446 were:

Shirley M. Miller, Special Education Director, Office of Public Instruction, Helena, Mt. - Ms. Miller told the committee the main points of HB 171, and HB 298. Ms. Miller stated, "The OPI supports the concepts in both of these proposed bills as passage of both or combining both in one bill would preserve local local decision making, allowing local districts to choose which service model they prefer." (See exhibit 1) Concerning HB 446, Ms. Miller stated, "The OPI supports this bill with proposed amendments. The proposed amendments would assist in locating host districts for regional service programs if HB 171 passes and Regional Services are reactivated. This has been a chronic problem with Regional Services in the past and this bill would lend stability to the program." (See exhibit 2)

Larry Holmquist, P.O. Box 162, Belgrade, Mt. - (Representing Belgrade Public Schools) Mr. Holmquist spoke briefly in support of these three bills. (See exhibit 3)

Bob Laumeyer, Boulder Public Schools, Boulder, Mt. - Mr. Laumeyer spoke in support of HB 171, "Regional services is a necessary alternative in some areas of the state." (See exhibit 4)

Jim Foster, Supt. Broadview Public Schools, Broadview, Mt. - Mr. Foster supplied the committee with results of a recent survey of schools in 12 districts. (South Central Administrators) and spoke in support of regional services. (See Exhibit 5)

Written testimony was received from the following proponents, who were not permitted by time to present oral testimony:

Lyle Grayson, 2570 Lillis Lane, Billings, Mt. (Representing Billings Public Schools) - HB 171: "...I see a definite need for continuation of this type of service model which particularly provides services to the handicapped in rural Montana." (See exhibit 6 for complete written testimony) HB 298: "A much needed bill." (See exhibit 7) HB 446: "Due to the potential of tenure, Billings Public Schools terminated being a host district for Regional Services." (See exhibit 8)

Virginia DeLand, Legislative Chairman, National Congress of Parents and Teachers, Butler Creek, Missoula, Mt. - "The Missoula Special Ed. PTA supports the passage of HB 171, repealing the sunset provision for regional special ed. services..." (See exhibit 9 for complete written testimony)

There were no opponents to these bills present. The committee was allowed to question the witnesses. The hearing on HB 171, HB 298 and HB 446 was closed.

Representative Marks was asked to explain HB 295, (an act to clarify residence requirements concerning special education and to clearly fix the financial responsibility for special education costs) to the committee. Representative Marks told the committee that this bill would require the district of residence of the parents or guardian of a child to be financially responsible for special education.

Proponents of HB 295 were:

Robert Laumeyer, Boulder Public Schools, Boulder, Mt. - "It is necessary to clarify residence of special ed. students and who is responsible for the child's education. It is also necessary for a tuition law be passed so that receiving districts can recover district funds spent on a non-resident special ed. student." (See exhibit 10)

Shirley M. Miller, Special Education Director, Office of Public Instruction, Helena, Mt. - Ms. Miller spoke briefly in support of this bill.

Larry Holmquist, P.O. Box 162, Belgrade, Public School, Belgrade, Mt.- "School districts where the child lives must provide service, but school where parents live must pay the costs. Dollars paid in any event must go to reduce the special education budget." (See exhibit 11)

Aage Hansen, 443 S. Park, Helena, Mt. - (Association for Developmentally Disabled)- Mr. Hansen spoke in support of HB 295.

Leonard Sargent, Montana School Boards Association, 501 N. Sanders, Helena, Mt. - "The services provided by certain districts for special education students from outside that district will most certainly be in jeopardy if funding cuts in state support of

special education are imposed by the 1979 legislature. This bill will help insure that services will be continued." (See exhibit 12)

Written testimony regarding HB 295 was received from the following proponents:

Lyle Grayson, 2570 Lillis Lane, Billings Public Schools, Billings, Mt. - (See exhibit 13 for written testimony)

Diane Thomas-Rupert, 1309 South Fourth St., Bozeman, Mt. (Representing Bozeman Public Schools) - (See exhibit 14 for written testimony)

Opponents to HB 295 were:

Joe Geraghty, P.O. Box 85, Boulder, Mt. - Mr. Geraghty stated, "This bill is an attempt to deny services to the handicapped using residency as an excuse." (See exhibit 15)

Shirley Frisch, Box 32, Clancy, Mt. - Ms. Frisch spoke as a DD parent and feels this bill doesn't clarify responsibility for the special education of children. (See exhibit 16)


Written testimony received in opposition to HB 295:

Virginia DeLand, Legislative Chairman, PTA, Butler Creek, Missoula, Mt. - "The Missoula Special Education PTA feels HB 295 creates more problems than it solves. We oppose this bill unless there is a provision for the education costs funded by the state to follow each handicapped child across district lines..." (See exhibit 17 for written testimony)

Representative Marks in closing stated his main concern is how the cost sharing will be accomplished from now on. The committee was allowed to question the witnesses and the hearing was closed on House Bill 295.

Representative South was asked to explain to the committee two bills he sponsored, which were being heard by the Education Committee at this meeting. Representative South briefly explained the main points of House Bill 116 (an act to revise the allowable cost schedule for special education programs; eliminating certain allowable costs) and House Bill 453 (an act removing from special education allowable costs the benefits for teachers' retirement, public employees' retirement, social security, and unemployment compensation; clarifying the procedures for fixing and levying of taxes for these benefits when special education cooperative agreements involve more than one county).

Proponents of House Bill 116 and House Bill 453 were:

John Fitzpatrick, Deputy Director for Budget and Planning, Office of Budget and Program Planning, Governor's Office, Helena, Mt. - Mr. Fitzpatrick told the committee that the costs of special education are the fastest growing expenditures in the state budget. The total cost of the special education program in 1975 was 13.4 million dollars and in 1978 the total was 27.9 million dollars. Mr. Fitzpatrick expressed his concern for putting an upper limit on these costs. There needs to be some form of tax relief for now and in the future. (See exhibit 18) 

Opponents to HB 116 and HB 295 were:

William K. Dee, 118 N. Locust, Anaconda, Mt. - Mr. Dee stated, "...I strongly oppose this bill and would sooner pay income tax or other such equal state taxes to support state mandates rather than pay for state mandates via local county levies. I do not feel that this is a tax cut. I do not feel that this is a limit on state, county or federal government, I simply feel that this is an inappropriate shift in taxation." (See exhibit 19 for complete written testimony)

Sara K. Godbout, 615 13th St., Butte, Mt. - Ms. Godbout stated, "...Montana, until the mid 1970's was a very backward state but through the insight of informed legislators passed significant laws helping it's citizenry. We went from very low and poor kinds of services into the beginnings of real quality services. These kinds of bills, from my point of view, are the beginning of trying to erode a system that has barely started." (See exhibit 20 for complete written testimony)

Jim Foster, Broadview, Mt. - (School Administrators of Montana)
Mr. Foster spoke briefly in opposition to these bills.
(See exhibit 21)

William F. Hickey, 504 Hickory, Anaconda, Mt. - (Representing Anaconda Public Schools) Mr. Hickey stated, "While this bill is disguised as a cut in special education, it is really an additional burden on regular education. The money that may be cut from school districts as a result of this bill would be those indirect charges contributed to the district from special education. These are fixed charges and will be required to be picked up by the local taxpayer whether the handicapped children are or are not served. Such sums of money are going to place inappropriate burdens on an inadequately state funded educational program for normal children." (See exhibit 22 for complete written testimony)

Jacob Block, Box 2428, Great Falls, Mt. (Representing Great Falls Public Schools) - Mr. Block presented the committee with a comparison of 1978-79 special education indirect costs and retirement costs to district voted levies and retirement budgets and explained the comparison. (See exhibit 23)

Ed McGreevey, 207 Main, Anaconda, Mt. - "This bill, in my opinion, is not a limit on taxation or limit on government in any fashion. From my understanding of the bill, it is simply a bill that takes what had been a state responsibility via a state mandate and directs it to a state mandate with a local dollar supporting it."
(See exhibit 24 for complete written testimony)

John Campbell, Helena School District, Helena, Mt. - Mr. Campbell stated, "I have heard the mistaken idea that the repeal of the financing of indirect costs will reduce the special education budget and that a commensurate amount would not have to be financed from another source. While such a repeal would reduce the special education budget, the financial obligation for the supportive services would not disappear -- they would become the obligation of the school district. This in effect would be a transfer from state financing of the special education share of supportive services to the school district property tax base. In the Helena School District, this is a transfer of \$213, 813 from state financing to district property taxes, or an increase of 5 1/3 mills in property taxes..." (See exhibit 25 for complete written testimony)

Chet Johnson, Director of Special Education and Pupil Services, 1430 Alkali Creek Rd., Billings Public School District 2, Billings, Mt. - Mr. Johnson made several suggestions to the committee including, "Continue to support direct services so that school districts can at least maintain existing programs. This will necessitate allocating sufficient dollars to cover inflationary costs, for example approximately 7.0% for 1979-80. If school districts expand programs and services, such expansion will be financed by local dollars. (See exhibit 26 for complete written testimony)

Lyle Grason, 2570 Lillis Lane, Billings Public Schools, Billings, Mt. - Mr. Grayson spoke briefly in opposition to HB 116. (See exhibit 27)

Robert Laumeyer, Boulder Public Schools, Boulder, Mt. - Mr. Laumeyer said, "Placing a county tax on 56 counties to replace state tax money is not a responsible way to reduce state spending." (See exhibit 28, for complete written testimony)

David Sexton, Montana Education Association, 1232 E. Sixth Ave., Helena, Mt. - "The loss of state funds to the district will have to be made up by increases in local property taxes or taken from other general fund moneys, which translates to one salaries of the regular classroom teaching staff. Neither option is palatable. Taxpayers are growing more reluctant to increase local levies. Teachers should not have to subsidize other required costs of the districts. The advocates of these bills argue that districts should adjust by cutting "fat". We don't agree that teachers salaries are fat." (See exhibit 29)

Robert Runkel, School Psychologist, 3000 Villard, Helena, Mt. - Mr. Runkel gave lengthy oral testimony concerning the special education programs in Montana and other states. (For complete written testimony see exhibit 30)

Shirley Miller, Special Education Division, Office of Public Instruction, Helena, Mt. - Ms. Miller explained to the committee the four major effects of this bill (HB 116) and stated, "In addition the Board of Public Education went out of its way in their December 1979 meeting to take special formal action supporting the existing method of funding for special ed. I beleive a letter has been written to this committee to this effect." (See exhibits 31 & 32)

Virginia DeLand, PTA, Butler Cr., Missoula, Mt. - "The Missoula Special Education PTA opposes HB 116 & HB 453 and HB 468. These bills allow the indirect costs of special education to fall on the local school districts. We do not feel this is in the best interest of our children because money, and not the individual needs of our children, will be the main consideration in the proper placement of our children..." (See exhibit 33 for complete written testimony)

Jack Rudio, 215 S. Sixth W, Missoula Elementary Dist. and 1, Missoula, Mt. - Mr. Rudio Spoke briefly in opposition to HB 116 (See exhibit 34)

Twila Voorhees, 1105 Dickinson, Missoula School Dist. 1, Missoula, Mt. - "The impact of HB 116 now is too much all at once. Other programs (for regular kids) will suffer because we must pass this cost on and we will have a limited amount of dollars with which to work." (See exhibit 35)

Wendell A. Deadmond, Room 133, State Capitol, Legislative Audit Office, Helena, Mt. - Mr. Deadmond presented comments from the LAD audit report covering special education (9-78) relative to the subject matter of these two bills. (See exhibit 36)

Written testimony was received from the following individuals who were not permitted by time to present oral testimony:

Martha L. Onishuk, Legislative Co-ordinator, Montana Congress of Parents and Teachers, 5855 Pinewood Lane, Missoula, Mt. (See Exhibit 37)

Dr. Ray Peck, Assistant Superintendent, Havre Public Schools, Elementary School District No. 16, High School District A P.O. Box 791, Havre, Mt. (See Exhibit 38)

John E. Marcille, 308 W. Fourth, Anaconda, Mt. (See Exhibit 39)

Leonard Sargent, Montana School Boards Association, 501 N. Sanders, Helena, Mt. (See Exhibit 40)

Diane Thomas-Rupert, 1309 S. 4th St., Bozeman, Mt. (Representing Bozeman Public Schools) (See Exhibit 41)

Mitch Higgins, Sun River, Mt. (Representing Sun River Elementary School) (See Exhibit 42)

George Bousliman, Director, Office of Budget and Program Planning,
Governor's Office, Helena, Mt. - (See Exhibit 43)

Larry Holmquist, P.O. Box 162, Belgrade Public Schools,
Belgrade, Mt. - (See Exhibit 44)

Lyle Grayson, 2570 Lillis Lane, Billings, Mt. (Representing
Billings Public Schools) -(See Exhibit 45)

Joyce Hynes, 404 N. 21st St., Bozeman Public Schools, Bozeman, Mt.-
(See Exhibit 46)

Glennadine Ferrell, Lake County Schools, Polson, Mt. -
(See Exhibit 47)

Lyle Grayson, 2570 Lillis Lane, Billings, Mt. (Representing
Billings Public Schools) -(See Exhibit 48)

The hearing on House Bills 116 and 453 was closed. The committee was allowed to question the witnesses. Chairman Gilligan announced that all the special education bills would be further discussed in a Sub-Committee comprised of Chairman, Jack Brian Uhde, Representatives Oberg and Lory.

Representative Oberg was asked by Chairman Gilligan to explain House Bill 468 (an act to revise the allowable cost schedule for special education programs; eliminating certain allowable costs, including retirement benefits) to the committee. Representative Oberg told the committee this bill is an alternative to the HB 116 and HB 453 and since the bill provides an effective date of July 1, 1980, it would allow local school districts time to react to the changes.

Proponents of HB 468 who submitted written testimony because time did not allow oral presentation are included in the above exhibits - 37, 38, 43 and 48. The hearing on HB 468 was closed.

The meeting adjourned at 7:00 p.m.


Peter J. Gilligan, Chairman

MJW