

MINUTES OF THE MEETING  
JOINT SUBCOMMITTEE  
ON EDUCATION APPROPRIATIONS  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

March 6, 1985

Tape 76 Side B

The meeting of the Education Subcommittee was called to order by Chairman Gene Donaldson at 8:00 A.M. on Wednesday, March 6, 1985, in Room 104 of the State Capitol.

ROLL CALL: All members were present.

The purpose of the meeting was review and EXECUTIVE ACTION on the budgets of the Vo-Tech centers, Fire Services Training School and Montana School for the Deaf and Blind. The Subcommittee also heard House Bill 660.

There was a discussion of the necessity to cut \$7.5 million from the education budget (76:B:040).

Chairman Donaldson said if that amount of money has to be cut, some programs will have to go. Senator Haffey said if the Subcommittee concludes that some of the modifications should not be cut and that some of the soft spots should remain in the budget, and the full \$7.5 million is not cut, then the Subcommittee should stand by its decision. Cutting that amount of money means that the Subcommittee would have to chop away almost blindly, which would be irresponsible, he said.

Chairman Donaldson said there's a tremendous amount of pressure on the Subcommittee to cut \$7.5 million, but if this subcommittee doesn't reach its allocated cut, probably none of the other subcommittees will either. He said he does not see how that amount of money can be removed from the budget, but an effort should be made. He said yesterday's cuts were pretty deep, and those programs that were cut are wanted by many people. Representative Moore said he is tired of education's being the patsy which takes up slack for other programs around the state, and he said he thinks \$7.5 million is an unreasonable goal. There is no reason for education to fund other areas, he said.

The budget for the Vo-Tech centers was discussed first (76:B:168).

Chairman Donaldson reminded the Subcommittee that there is a modified recommendation of \$376,990 for FY 86 and \$371,853 for FY 87, which is a replacement of federal funds.

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Alex Capdeville (76:B:208), Director, Helena Vo-Tech Center, said if the proposed cut of \$95,378 for FY 86 is picked up by the district, the differential at the Helena Vo-Tech Center would be approximately \$260,000. He said he is not sure that the School Board will even consider such a levy. The budget for next year, which is one that will just maintain the center, makes about a \$12,000 cut in the operational budget. If the federal money is lost, and it can't be gotten back from the district, the center will lose the ability to serve approximately 60 full-time students. This has a compounding factor since the center is obligated to 660 FTE, who generate a certain amount of money for tuition, so there is a snowball effect on the center's budget. He said there is also \$106,000 which must be matched out of the on-going budget. This is the money which must be used for new, innovative and expanded kinds of programs, or modifications within programs. As a maintenance-level budget, meeting these specifications becomes an impossibility, he said. The problem is far beyond the cut of \$95,000; the problem is that the center will not have the ability to spend the remainder of the federal money, he said.

Mr. Capdeville said he thinks the local district will run a mill levy for the Vo-Tech Center, which will pick up some of the differential. But he said he doesn't think the Helena district or any district should be expected to pick up the shortfall of federal funds.

Roger Eble (76:B:273), Superintendent of Schools, Helena, said the district is putting together its 1985 - 1986 high school budget, which includes the Helena Vo-Tech Center. In the budget differential, approximately \$75,000 - \$80,000 over the \$248,000 that was budgeted this year, has been included. He said the possibility of the center's needing \$460,000 is staggering, and he does not know what the trustees will be willing to fund in regard to the differential.

Loren Frazier (76:B:306), Director, Great Falls Vo-Tech Center, said it looks like the Great Falls center will be short by about \$90,000, and if this is coupled with the \$121,000 that needs to be matched with new and innovative programs, the total shortage is \$210,000. This means the center will have to cut services and programs for students, which means the FTE total will go down and so will tuition. The centers seem to be in a catch 22 position in regard to federal money, he said. The mill levy in the district has already been set at \$237,000, therefore the district cannot make up the \$90,000 shortage.

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There was a discussion of Vo-Tech funding between members of the Subcommittee, Gene Christiaansen, Department of Vocational Education Services, Office of Public Instruction, Pam Joehler, Legislative Fiscal Analyst's Office, Mrs. Steen, Great Falls Board of Trustees, and Mr. Frazier (76:B:351).

Harry Freeborn (76:B:443), Director, Butte Vo-Tech Center, said in order to maintain current level, \$306,599 will be needed by the Butte center as a mill levy. However, the school actually needs a mill levy of \$457,190. He said this larger amount is needed because Butte cannot match any federal funds, the center has no "hard money", and the school also needs approximately \$94,000 because it is totally understaffed in its maintenance department. He said if there is a revenue reduction of 15 to 30 percent, the position of assistant director would be eliminated, and all summer school would be eliminated. One more person would be cut out of student services. A welding program would be cut, and two staff members would be eliminated from the LPN program. All of these cuts would result in a reduction of about \$252,065, which is about 15 percent. The other 15 percent includes the elimination of one data entry instructor, the total drafting program, the total auto mechanics program, the total machine shop program, the total small engine program, and the accounting-book-keeping program. If all these cuts were made, there wouldn't be much sense in keeping the school open, Mr. Freeborn said.

Chairman Donaldson asked Mr. Freeborn if he could fill the school with students--if the money was there to support the various programs. Mr. Freeborn said the school has already exceeded its projected FTE level, and there is a waiting list.

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Jim Taylor, Business Manager, Missoula Vo-Tech Center, said the school is now \$300,142 below FY 1985 in its recommended appropriations for FY 1986. This is a 13.8 percent reduction of funding at the state level. If the Board of Trustees were to pick up the total differential, it would mean a voted levy of approximately \$857,000. The voted levy for FY 1985 was \$405,000. The Board of Trustees directed Missoula Vo-Tech to request funding at a level at least equal to the 1985 level. He said over 50 percent of the students at Missoula Vo-Tech are from outside of the county, and the Board has asked the center to consider a tuition differential for any student who resides outside of the county. The Board has instructed the center to look at all programs to see if there are any additional

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instructional fees that might be placed upon students in specific programs. The Board has also requested that the Subcommittee consider a statewide mill levy for the Vo-Tech centers.

A question and answer session followed between Mr. Taylor and members of the Subcommittee (77:A:089).

Chairman Donaldson explained that prior to 1981 the Vo-Tech centers were funded in a different manner from the way they are now funded. There was no basic funding formula. In 1981 a formula was established, but because of the way the schools were funded previously, there were extremes above and below the average. Because of these extremes, "caps" were established, so that minimum and maximum increases were given. This old way of funding has really impacted the Missoula Vo-Tech Center, he said.

Jeff Dietz (77:A:158), Director, Billings Vo-Tech Center, said the Billings School District has reduced the voted mill portion for the Vo-Tech center for FY 1986 by 33 percent. If the voted levy in Billings fails in April, there would be an 18 percent reduction at the center in FY 1986. State revenue only for FY 1986 represents a 2 percent increase over FY 1985, excluding the pay plan. With projected state revenues of \$1,685,706 and a voted mill of \$269,000 for FY 86, the Billings Vo-Tech Center will be below FY 85 by 5 percent. Mr. Dietz pointed out that instruction, which is the most essential element of any center, will be down 21 percent in 1986. There are several scenarios that might be used to determine how to reduce the budget. One way to approach the problem would be to reduce in increments of 5 percent, trying to do as little harm as possible. Another scenario is based on the seniority rights of teachers. This would mean elimination of the non-tenured teachers; the second approach would result in loss of accreditation, he said.

Mr. Dietz said in Billings many businesses have requested training from the center in terms of upgrading employees. He said he is reticent to tell these businesses that the center can help them at this time.

A general discussion followed between members of the Subcommittee (77:A:260).

The Subcommittee next considered the modified recommendation to replace Vo-Tech funds with \$376,990 of General Fund money in FY 1986 and \$371,853 in FY 87. (This is a replacement of federal funds.)

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Senator Jacobson asked if it would be possible to increase tuition at the centers. Mr. Freeborn said he doesn't think it would be feasible at this time.

Representative Peck said he thinks the charging of more tuition to out-of-county students should be pursued. Mr. Capdeville said at the Helena center two-thirds of the students are from outside of the county. If these students were charged more money, they would be forced to go to other schools and enter programs they don't really want to be in. Representative Peck said he disagrees with this because there are not that many counties that have institutions that would allow students to go to schools in the counties where they live. Chairman Donaldson said if this method were used to make up the tuition differential, too many youngsters would not be able to go to school at all.

Representative Moore (77:A:382) made a motion that \$376,990 for FY 1986 and \$371,853 for FY 1987 be included in the budget as a modified. (This is replacement of federal vocational education funds with monies from the General Fund.)

There was discussion of the motion and of the issue.

Senator Hammond said he thinks the out-of-county tuition increase should be pursued. Chairman Donaldson asked Mr. Christiaansen if such an increase would require a statutory change. Mr. Christiaansen said it would. Chairman Donaldson said he would be willing to work with Senator Hammond and Mr. Christiaansen in trying to develop something along those lines.

The motion to include \$376,990 for FY 1986 and \$371,853 for FY 1987 in the budget, as replacement of federal monies for the Vo-Tech centers, passed unanimously (77:A:473).

There was a brief discussion of the modified recommendation to add additional student services for the Vo-Tech centers. There was no motion.

After a short break, the Subcommittee turned its attention to the Fire Services Training School (FSTS) (77:A:488).

Francis Olson, Office of the Budget and Program Planning, said FSTS requested a revolving account of \$3,000 per year. This account would handle the funds that come from the organizations that buy the school's newsletter, and it would handle the collecting of fees from organizations that use the school's instructional materials.

Senator Haffey (77:A:515) moved that FSTS be given the authority to set up a revolving account to handle funds that are generated from sales of the school's newsletter and instructional materials. The motion passed 6 - 0.

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There is a modified recommendation for .50 FTE secretary at \$8,660 for FY 86 and \$8,663 for FY 87 for FSTS. This issue was discussed next (77:A:524).

Senator Haffey noted that the half-time secretary was requested by FSTS so that the instructors would not have to perform secretarial duties.

Senator Haffey (77:A:536) moved that a .50 FTE at \$8,660 for FY 86 and \$8,663 for FY 87 be approved for FSTS. The motion passed 6 - 1 with Representative Moore dissenting.

The Subcommittee next turned its attention to the Montana School for the Deaf and Blind (MSDB) (77:A:566).

Bill Sykes, Legislative Fiscal Analyst's office, noted that there are two modified requests for the school that were previously approved by the Subcommittee. One is for phonic ear equipment at \$30,250 for each year of the biennium; the other is for additional teachers at \$59,721 for FY 86 and \$59,745 for FY 87 (2.19 FTE additional teachers, specifically two teachers and a half-time speech therapist).

Bob Deming (77:A:590), Superintendent, MSDB, said the school is using nine-year-old phonic ear equipment, which is electronically obsolete. He noted that \$10,000 for each year of the biennium was approved for replacement of carpet at the school, and said the school can get by with its old carpet.

Representative Moore (77:A:613) said there is in excess of \$740,000 per year in contracts for audiology services throughout the state, which is part of the basic budget for MSDB. This is driven off the \$673,000 per year, which is now appropriated for the 1985 biennium. By keeping the school at current level, which is \$673,000 for the audiology contracts, General Fund would be reduced \$152,000. There would also be the reduction of \$20,000 for the carpet, which brings the total reduction to \$172,000. By allowing MSDB to do the audiology services throughout the state, instead of contracting it out, the school will be able to use the money saved (\$150,000 per year) to buy the phonic ear equipment and hire a hearing impaired instructor and a visual/multi handicapped instructor, he said.

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Representative Moore moved that \$673,000 be appropriated for MSDB, and that within this funding the school be given the authority to perform audiology services throughout the state. The school would also have the authority and flexibility to pay for phonic ear equipment and to hire additional instructors.

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There was discussion of the motion.

Mr. Sykes said currently there is a 5 percent limitation which says that no more than 5 percent of total program costs may be transferred among various programs.

Representative Moore suggested that boilerplate language should accompany the motion: to the effect that "the Board of Education authorizes the school to transfer funds between programs without restriction"--and that "the Board of Education be authorized to hire additional FTE for the school within the funding limitations, in order to carry out the hearing conservation program."

Ms. Joehler asked if it was the intent of the motion or of the school to allow the 2.19 FTE to be hired within the \$673,000 per year. Representative Moore said the 2.19 FTE would be reduced to 2.0 FTE. Mr. Sykes noted that this would actually be 1.46 FTE. Ms. Joehler said her concern is that the \$673,000 would not be used for audiological services; it would be used for instructional purposes. She said she is worried about tracking the money. Mr. Olson said \$153,890 would be the total biennium savings of this proposal, and then there would be \$89,971 per year of modifications that would be eliminated. This would result in approximately \$51,000 per year extra which the school would apply toward its instructional needs and phonic ear equipment, he said.

Mr. Deming said this is a sweeping, programmatic change. He said the audiological screening services can be done for that amount on a statewide basis, or for less. However, at this time there are five contracts across the state for these services. The school does not have audiologists under contract now. Eighty to ninety percent of the audiologists in the state work for Easter Seals of Montana, he said. It would probably be necessary to move audiologists to smaller communities. He said the best salary estimates for these audiologists are based on 1985 contracts. Mr. Deming said the school's enrollment increases dictate that the hearing impaired teacher and the visually handicapped teacher are vital to the school's survival.

Representative Peck asked Mr. Deming if he had had an opportunity to analyze this proposal. Mr. Deming said the proposal had been analyzed to some degree. Representative Peck asked that the proposal be presented in written form so it would be easier to understand. Senator Hammond said he wants to know what is going to happen to the audiology service throughout the state if this proposal is approved.

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Senator Jacobson said she strongly opposes this motion. She said she wants to save money, but these are major, sweeping changes. There are five contractors in the state that have audiologists on board, and these contractors are assuming that the contracts will remain with them. The loss of the contracts will cripple them severely. There is no guarantee of how the proposal will work. MSDB will have to hire audiologists, uproot these people and move them to new areas. She said she feels there is no real game plan as far as the proposal is concerned.

Representative Moore said if the recommendations for MSDB are left as they are now, there is \$749,000 per year that is tied up in contracts, and there are modifications for the phonic ears and the instructors. He said what he wants to do is make the program work--at less cost. Representative Peck said the proposal will create problems with the Board of Regents; it's throwing out money and telling people to wheel and deal with it.

Representative Moore asked Mr. Deming if the current contract with Easter Seals (and the other contractors) is left at \$673,000, the contractors could live with that amount of money. Mr. Deming said they would have to live with it. Whatever is appropriated for those contracts is what the contractors have to live with, he said. Representative Moore asked what would happen if the amount were lowered even more, say to \$650,000. Mr. Deming said this would be difficult.

Hidde Van Duym, Board of Public Education, said the essence of the discussion is whether it is more advantageous to run the audiology program directly out of the school rather than to contract the services. The claim is that if it is run directly out of the school there will be some savings which can then be used towards hiring additional FTE and purchasing phonic equipment. However, the Subcommittee doesn't really have adequate information to make such a decision, he said.

Senator Hammond said it's a novel idea, but he can't accept it because it's difficult to see how that much money will be saved--while the same kind of service is performed on a statewide basis.

Discussion of the motion and of the proposal continued among the members of the Subcommittee (78:A:293).

Representative Moore withdrew the motion.

Representative Moore (78:A:320) moved that \$749,000 be reduced to current level, \$673,000, for both years and that MSDB be allowed to contract out the audiology service, as has been done.

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Discussion of the new motion followed.

Chairman Donaldson said Mr. Deming is in a better position than anyone else to say whether or not the job can be done for this amount of money. Mr. Deming said "if it's set at \$673,000 per year, they will do it for that amount." He said he cannot speak for the contractors, and a year ago the contracts did exceed the appropriated amount, and that the contractors then reduced their budgets. Mr. Gamradt, MSDB, said about \$23,000 was cut out of the budgets. He said that in each of the five areas that the school has there is only one bid per area. There is no competition--so whatever the contractor bids is the low bid.

Senator Jacobson said the program should be left as it is. The Subcommittee does not have enough information to make this change at this time. Representative Moore said if it was not being done this way, the Subcommittee would be trying to cut the school's budget by about 3 percent. Chairman Donaldson asked if the audiology service had to be contracted. Mr. Deming said the law for the audiological services contract states "...to contract for audiological services for the state of Montana, as per Board of Education policies."

Senator Jacobson said this motion represents a 10 percent cut in audiological services, and that whether the job can be done for 10 percent less is questionable; it's a substantial reduction. Chairman Donaldson said if there is a better way to provide the audiological service, he is open to it.

Discussion of the motion continued between the Subcommittee members, Mr. Deming and Mr. Sykes (78:A:480).

Representative Peck said he was having a difficult time making up his mind on the motion because of the pressure to reduce the costs and the issue of whether or not the audiological contracts can be handled adequately at the reduced cost. Senator Jacobson said there is not input from the people who are doing the services. She said she is uncomfortable with having to make such a decision without this input.

There was a roll call vote on the motion. The motion to fund MSDB at \$673,000 per year and to allow the school to contract the audiological service, passed 4 - 2 with Senator Jacobson and Representative Hand dissenting (78:A:586).

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Representative Moore (78:A:611) made a motion that the modified recommendation for phonic ear equipment for MSDB be included in the budget at \$30,250 for each year of the biennium. The motion passed unanimously.

The issue of additional instructors for MSDB was discussed (78:A:619).

Representative Moore (78:A:631) moved that the two additional FTE be approved (the hearing impaired instructor and a visually impaired multi handicapped instructor).

There was discussion of the motion.

Senator Hammond questioned the deletion of the half-time speech therapist from the modified request. Mr. Deming said he stands by the school's original request which included the half-time speech therapist.

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Senator Hammond said he thinks the half-time speech therapist should be included in the motion.

Representative Moore withdrew the motion.

Representative Moore moved that two instructors and a half-time speech therapist be approved as a modified for MSDB at \$59,721 for FY 86 and \$59,745 for FY 87. The motion failed 3 - 3 with Representative Donaldson, Representative Peck and Senator Jacobson dissenting.

Representative Moore (79:A:032) moved that two additional instructors be approved for MSDB (1.46 FTE). This is a modified request. The motion passed 4 - 2 with Senator Hammond and Senator Jacobson dissenting.

Representative Moore (79:A:060) moved that the \$20,000 which was appropriated for carpet for MSDB be removed from the budget. The motion passed 6 - 0.

The issue of vacancy savings at MSDB was discussed by the Subcommittee members, Ms. Joehler, Mr. Deming and Mr. Gamradt (79:A:087). It was decided to withhold action on vacancy savings.

The Subcommittee next heard House Bill 660.

HOUSE BILL 660: "AN ACT REQUIRING THE BOARD OF PUBLIC EDUCATION TO PRESCRIBE A SALARY SCHEDULE FOR THE PROFESSIONAL FACULTY AND STAFF OF THE MONTANA SCHOOL FOR THE DEAF AND BLIND THAT IS EQUAL TO THE SALARY SCHEDULE FOR TEACHERS

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AND STAFF OF THE LARGEST SCHOOL DISTRICT IN CASCADE COUNTY THAT HAVE SIMILAR CERTIFICATION, TRAINING, EXPERIENCE, AND DUTIES AS THE PROFESSIONAL FACULTY AND STAFF OF THE SCHOOL FOR THE DEAF AND BLIND; PROVIDING AN APPROPRIATION FOR UPGRADING THE SALARY SCHEDULE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Representative Jack Moore (79:A:110), sponsor of House Bill 660, introduced the bill. The intent of the bill is to review the schedule of the largest school district in Cascade County, which is where MSDB is located, to determine the salary of each certified teacher or noncertified staff member of the school district that has the same or substantially similar certification, training, experience and duties as a professional faculty or staff member of MSDB. He said the school districts of Missoula, Billings, Kalispell, Great Falls and Helena were averaged at the BA minimum and BA maximum levels and the MA minimum and MA maximum levels and also the fringe benefits per year. These figures were compared with the salaries from MSDB. The difference at the BA minimum between the school districts' average and MSDB salaries is \$399 (less for MSDB). At the BA maximum the difference is \$5,339. At the MA minimum the school is \$1,264 less, and at the MA maximum MSDB is \$6,146 less. In Great Falls, the BA minimum is \$16,258 versus \$14,956 for MSDB. Again in Great Falls, the BA maximum is \$24,670 versus \$21,163 at MSDB.

The further intent of House Bill 660 is to prescribe a salary schedule for the professional faculty and staff of MSDB which is in line with the salaries being paid teachers and staff members doing similar work in the area where the school is located, Representative Moore said.

PROPOSERS:

Bob Deming, Superintendent, MSDB (79:B:152), said this is a goal which he has set and that the Board of Public Education has approved the submittal of this legislation. He said the faculty/staff people at MSDB cannot be trained in Montana beyond the baccalaureate level, so most of those people have been trained out of state. This means that teachers are recruited nationwide. The Board of Public Education has encouraged MSDB to become a training site for teachers of visually impaired and teachers of hearing impaired. When teachers come to Montana with certification from a nationally accredited university, they have certification requirements far above state certification requirements needed to teach in a public school program. This means that MSDB teachers can go to a Great Falls public school to teach, he said.

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Terry Minow (79:B:192), Montana Federation of Teachers, said as a representative of the teachers at MSDB, she supports House Bill 660. These teachers have to go out of state to receive their training. They are highly qualified and have special skills, and they deserve equity pay, she said.

OPPONENTS:

Representative Ray Peck (79:A:204) said his opposition to the bill does not mean that he is not sympathetic to the problem of teachers' salaries. He said this bill represents a specific sort of legislation for one institution. It's an end-run operation and a dangerous solution that is being proposed. An earlier similar bill for the teaching staff at Miles City Community College was defeated. He said there are many other institutions where data could be supplied in support of salary increases for teachers and staff. If this bill is passed, these other institutions will also want to establish their salaries based on the same situation that is presented in House Bill 660. Those comparisons can be made in many different situations, he said. To single out one institution, as has been done with this bill, is not the right way to approach the problem.

Representative Peck said there is no control over locally negotiated agreements. He said he agrees that the staff of MSDB is underpaid, but to rectify the situation in this way and ignore all the other institutions in the state, is the wrong way to do it.

Chairman Donaldson said he is not happy with the procedure either, but the issue of making these teachers' salaries more competitive needs to be addressed.

Representative Moore (79:A:258) closed on House Bill 660. He said the MSDB teachers' dedication to their jobs is such that they should be compensated for what they do. Their salaries should be equalized with the salaries received by public school teachers in Great Falls.

Chairman Donaldson said executive action on House Bill 660 will be delayed in the hope that there may be some other way to approach the problem of equalizing the teachers' salaries.

Mr. Olson returned to the audiology issue at MSDB. He said if the contracts came in for less than the \$673,000, there should be language in the bill that would allow any 1986 monies to be transferred to 1987.

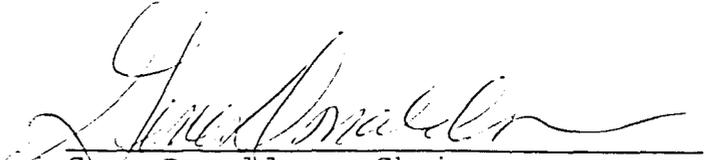
Representative Hand (79:A:350) moved that language be included in the appropriations bill that states that if MSDB receives contracts for less than \$673,000, those monies, may be transferred to FY 87. The motion passed  
6 - 0.

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Chairman Donaldson announced that there is one issue that will be discussed in the next day's hearing that the Subcommittee may want to consider in advance. This is the issue of the Interest and Income money for the University System. There is an Attorney General's opinion that deals specifically with the obligated funds. The money that is being discussed is not obligated, or at least there is room for discussion of it. It's still controversial as to whether or not the money can be appropriated. The position which has been taken is that the Legislature will want a strict accounting of the money, but the universities may use it to buy computer (or other) equipment, he said.

Senator Jacobson asked if the universities might test this situation in court. Chairman Donaldson said he has been told this may happen.

ADJOURN: The meeting adjourned at 10:55 A.M.

  
Gene Donaldson, Chairman





