

MINUTES OF THE MEETING
EDUCATION AND CULTURAL RESOURCES COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

The second meeting of the House Education and Cultural Resources Committee was called to order by Chairman Jack Sands, on January 9, 1987, at 1:00 p.m. in Room 312-D of the State Capitol.

ROLL CALL: All members were present with the exception of Rep. Harrington who was excused.

CONSIDERATION OF HOUSE BILL NO. 35: Rep. Mary Lou Peterson, House District # 1, sponsor of the bill, stated that HB # 35 is an act increasing from twenty days to forty days the time period for submission of candidates names before a regular school election day. She related that first class school districts already have forty days and second and third class districts only have twenty days. She said the school clerks in her area are finding that twenty days is not enough time to follow all of the required procedures, especially if an absentee ballot is requested. She submitted a letter from the Lincoln County Superintendent of Schools in support of the bill, see EXHIBIT # 1, and noted she also had an endorsement from the School Clerk's Association.

There were no further proponents and no opponents to the bill. REP. Peterson simply stated she closed.

COMMITTEE DISCUSSION:

REP. EUDAILY inquired if the title was misleading where it says an act increasing from 20 to 40 days because it is actually decreasing the time period. Rep. Peterson responded it was 40 days before election, so it is in effect decreasing the time a person might decide to run for the school board, but it would be increasing the time that clerks have to work on the ballots.

CHAIRMAN SANDS closed the hearing on HB # 35. He announced the next topic on the agenda was a presentation by Rep. Peck and Rep. Donaldson of the recommendations of the Interim Study Committee on basic education.

REP. PECK explained that the lawsuit against the state by the under-funded schools is the reason for the concern that developed in the Legislative Finance Committee. He complimented Rep. Donaldson for his leadership in the fight to get the Legislative Finance Committee to authorize the study. He noted there were two Senators on the committee along with Rep. Donaldson and himself, that Judy Rippengale from the LFA office was instrumental in organizing the project and

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that Ray Shackelford from OPI was responsible for a lot of the information that is contained in the report.

REP. PECK read the basic education requirement in the Montana Constitution, Article 10, Section 3, which says "shall provide a basic system of free quality public elementary and secondary schools". He stated that was the wording the under-funded school districts were quoting in their lawsuit. He then reported that in reading the transcript of the Constitutional Convention he had found some surprising things in it. He stated there were a lot of assumptions made about education and school law that were very erroneous. He pointed out the committee has the opportunity to talk to at least two members of the legislature who were in Con-Con and were vitally interested in education, Senator Blaylock and Senator Eck. He reported in the transcript they clearly agree to leave the definition of basic system to the legislature. However thirteen years later the legislature has never made that definition.

REP. PECK explained the study originates from the 1984-85 data secured from the many school districts in Montana which had reported to OPI. He commended the OPI on an excellent report. He said the schools are broken down by the high cost school, medium school and low cost school in the report. He noted the first five or six pages of letters in the report deal with the legislative proposals, see EXHIBIT NO. 1.

He then reviewed the letter from Judy Rippengale who summarized the committee's work as follows, 1) reviewed basic education concepts by examining other states' approaches to it and by reviewing Montana history on developing, defining, and funding education; 2) been presented data on the cost components of the education budget; 3) compared the number of teachers required by accreditation standards to teachers actually employed for selected elementary schools; and 4) received information on the funding of schools.

REP. PECK then commented on the issue of voted levies. He said there were 18.5% of the schools in the state who were operating without a special levy, but when you take into account the 3% of the schools that had 874 money to cover their special levies it dropped to 15.4%. He then encouraged the committee members to ask questions if they desired. At this point in the proceeding Chairman Sands announced that if any committee member had any questions, they

could feel free to ask them at any time.

There followed a question and answer period regarding the number of schools without special levies who were non-operating schools. Rep. Peck stated he did not see a non-operating school in the report.

REP. PECK then referred to page two of the report which is the overall cost perspective in 1984-85 which included special education. He said the general fund budget was only \$427 million dollars for Montana. Table # 1 shows the difference in 83-84 and 84-85 and the important part is that schools on an average have a 3 and 1/2 percent of their budget remaining at the end of the term. He then stated that Table # 2 is the average expenditure per ANB; Table # 3 is the break down of costs of K - 12 education without special programs.

He then noted the paragraph between Table # 2 and Table # 3 explains what has happened in Montana from fiscal 75 to fiscal 85 in terms of cost. He said the total expenditures increased 155%; enrollments dropped 14.6% and the cost per ANB in that 10 year period went up 198%. He referred to Table # 3, which is a break down of the cost of 1984 and 1985. He said part of the table deals with ANB for high school for those two years and it is approximately two-thirds of the total ANB in the state which is approximately 150,000.

REP. PECK reported that personal services, which is basically employees, was 80% of the budget. He said that benefits were 7% but when you include the retirement budgets, then benefits rise to 19.7%.

A discussion followed regarding whether the tables reflected the total budget or if the voted levy were included in the budget. Rep. Peck replied they were for the total budget. He then explained that the emphasis was on total expenditures, but there is an apple and orange situation there and you have to look at the heading on each table.

REP. PECK pointed out that Table # 4 is a detailed break down of personal service costs by program and object for the school year 1984-85. He said that general administration takes up about 5-6% of the expenditures and that building administration, which includes the principal and support personnel in the administration area would take up about 7% of the budget. He felt that costs were high for administration when you add them both for a total of 12-13%.

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In reviewing Table # 5 he said it was a comparison of costs, starting with a comparison of ANB. He reviewed that table in great detail. He remarked to the committee he could not explain how one school could spend \$6,000 per student, when the state average was \$2,741 and another school was educating students for \$1,549. A discussion followed whether the wide spread of cost per ANB was related to how the formula was applied to the school districts or if it was because of special voted levies.

REP. PECK pointed out the concluding statement on page 6 says a high cost school has substantially more salaries and services than a low or medium cost school. He said that salaries were going to be 70 to 80% of their budgets.

JUDY RIPPENGALE commented on the benefits on page 4 of the report. She said the benefits only came out to be 7% and that the education sub-committee added the benefits in the retirement account and the two total about 19% which is what they expect them to be.

REP. PECK then noted that Table # 8 on page 16 shows the actual staffing is very close to practical application of accreditation standards. A question and answer period followed regarding the number of aides used and accreditation standards.

CHAIRMAN SANDS then requested Rep. Donaldson to try and focus on what implications the facts and figures that Rep. Peck had presented to the committee would have on the under-funded school suit and what they might possibly do about it.

REP. DONALDSON stated the study was prompted by a number of reasons, one being the fact that 62 school districts brought suit against the State saying it was not providing a quality basic education. He said that term has never been defined, but he believed after the results of the Interim Study Committee were reported that it could be done in a way to bring some equity to the funding process.

REP. DONALDSON explained in regard to the lawsuit that it was filed in the spring of 1985 and that he and Rep. Peck had communicated with the plaintiffs on a number of occasions to discuss the possibility of keeping the matter out of court. He reiterated the opinion that the issue needs to be resolved legislatively and not in the court. He expressed his concern about what is happening in other states, and noted that the

state of Washington has basically taken over local control of schools. He said that decision has not saved any money and those court suits continue in Washington even after six years. He reiterated that it is a legislative matter and irrespective of what the court may decide, it will end up back in the legislature because they will eventually have to determine the level of funding. He said the court suit was delayed until after this legislative session but is scheduled to be heard in May. Rep. Donaldson reported he had made the statement when the lawsuit was started that it would cost the taxpayers a quarter of a million dollars to try the suit, but he now feels it will cost much more than that to defend it.

REP. DONALDSON acknowledged that over the years school funding had been addressed simply from the standpoint of what percentage should be added to it, rather than from looking at what are the basic needs and to address it from that standpoint.

He pointed out that the material Rep. Peck had presented did give some broad guidelines and doesn't include the kind of data that is needed at this particular point. However, it is material that couldn't have been available even a few years ago. He said the Office of Public Instruction has established a way of retrieving that data through their computers.

REP. DONALDSON said he was grateful to have the opportunity to present this report because he feels the committee is going to be beseiged with hundreds of solutions how to fund K-12 education. He informed the committee he has a series of six bills that will be brought to the House Committee and the Senate Education Committee addressing some of the issues that stand out. He strongly recommended the need for further study. He remarked the greater portion of the tax dollar goes into education, 43% of the general fund and 60% of the property tax, which amounts to over \$500 million a year. He felt a further study would be justified in order to understand the direction education was headed in Montana.

He testified he was excited about the area of accreditation standards. He said as he perceives them now they don't reflect what the general public wants in education. He said one of the things that was hoped to integrate in the study would be the possibility of when additional accreditation that have fiscal impacts are involved, that they would have to be made in concert with the legislature. He exclaimed that one of the things he felt the study had revealed was that simply spending more money on education does not insure more quality.

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REP. DONALDSON reported some of the material from other states in the study showed that teacher-pupil ratios seems to have a direct correlation with the SAT scores, the ACT scores and the percentage of dropouts that there are. He again recommended an extensive study to come up with the state's obligation to a basic education.

CHAIRMAN SANDS opened the meeting for questions from the committee.

REP. WILLIAMS asked Rep. Donaldson to elaborate on the effects of the courts if the legislature did not make any decision, and if it were possible the lawsuit might force them into a special session, as had been the case in Wyoming. Rep. Donaldson replied that possibility exists but if they go into a court hearing in May, he felt it would be highly unlikely that a firm decision would be made much in advance of the next legislative session.

A discussion followed concerning whether voted levies were included in the report which would have the effect of inflating teachers salaries and also if the reserve funds were taken into consideration in the report.

CHAIRMAN SANDS questioned Rep. Donaldson if it was appropriate to define basic education as that education which meets the accreditation standards and no more, and if so why, and if not, why not. Rep. Donaldson responded that he didn't think the accreditation standards really reflect what most people see in basic education now. He said the one area is the area of pupil-teacher ratio, in having used a mathematical approach, and then a practical administrators approach which was almost twice what the mathematical one would have been, it reflected that accreditation standards are really not current. He stated the Study Committee could have established a method of determining what basic education was, but decided that because of lack of time, the best approach would be to try and use the accreditation standards. He noted that specialty groups such as library, counselors and such have been able to get some strong recommendations incorporated in the accreditation standards but issues such as how many children in a class have not been updated.

REP. PECK agreed that was probably what was done -- that they had said the accreditation standards did meet the requirements of the constitution. He said he had signed a

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bill to define basic education during the last session that had never been dropped into the hopper, and he thought it was something the committee should consider looking into.

REP. EUDAILY stated that he accepts the premise that the accreditation standards satisfy basic education definition, but as long as the Constitution says that K - 12 is under the Board of Public Education, the legislature is not going to have any control over how much education is going to cost the state. He said if the Board keeps raising the standards and the legislature has to provide the money then perhaps they should consider some constitutional changes.

REP. PECK explained that might have to be done statutorily, by saying the Board of Public Education has to have changes in accreditation standards approved by the legislature.

REP. EUDAILY questioned if that would be challenged because of the statements in the Constitution that specifically gives the authority to regulate to the Board of Public Education. Rep. Donaldson remarked that one of the recommendations coming out of the study is for better coordination between the Board of Public Education and the legislature. He said as a result of the Study Committee he thought the OPI and the Board of Public Education were working very well together.

REP. GLASER requested that it be reflected in the minutes that he did not agree with the other gentlemen of the committee when they said the Constitution specifically gives all authority to the Board of Public Education.

REP. PECK remarked he thought Rep. Glaser had misinterpreted what he had said, and in regard to definition, if you read the Con-Con transcript it specifically says that they hope the legislature will define basic education.

REP. GLASER responded that in 1974 the legislature gave the authority to the Board of Education to define it. He felt the minutes should clearly state that there is some question in the minds of the people here, and not that it is a statement of fact.

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EXECUTIVE SESSION:

ACTION ON HOUSE BILL NO. 35:

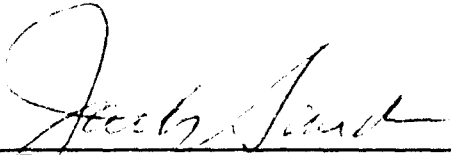
REP. LORY made a motion that House Bill No. 35 DO PASS. Rep. Thomas questioned Rep Eudaily about moving the filing date up to February 23rd. Rep. Eudaily stated he thought that first class districts were doing this at the present time, and the net result of the bill is simply a longer campaign period for the people who have filed for office.

REP. EUDAILY made a motion to amend the title by striking the word "increasing" and inserting in lieu thereof the word "changing". Chairman Sands advised the committee the title would then read "AN ACT CHANGING FROM 20 to 40 DAYS THE TIME PERIOD FOR SUBMISSION OF CANDIDATES NAMES BEFORE A REGULAR SCHOOL ELECTION DAY", the motion CARRIED unanimously.

The question on the DO PASS AS AMENDED motion was called for, the motion CARRIED with 16 favorable and 2 opposing votes.

ADJOURNMENT:

There being no further business to come before the committee the meeting adjourned at 2:35 p.m.



REP. JACK SANDS, CHAIRMAN

DAILY ROLL CALL

EDUCATION AND CULTURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date JAN 9, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. JACK SANDS, CHAIRMAN	✓		
REP. RICHARD NELSON, VICE CHRMN.	✓		
REP. FRITZ DAILY		✓	
REP. RALPH EUDAILY	✓		
REP. WILLIAM GLASER	✓		
REP. DAN HARRINGTON			✓
REP. NANCY KEENAN		✓	
REP. ROLAND KENNERLY	✓		
REP. EARL LORY	✓		
REP. JOHN MERCER	✓		
REP. GERALD NISBET	✓		
REP. JOHN PHILLIPS	✓		
REP. TED SCHYE	✓		
REP. BARRY STANG	✓		
REP. TONIA STRATFORD	✓		
REP. CHARLES SWYSGOOD		✓	
REP. FRED THOMAS	✓		
REP. MEL WILLIAMS	✓		

STANDING COMMITTEE REPORT

January 9,

19 87

Mr. Speaker: We, the committee on EDUCATION AND CULTURAL RESOURCES

report HOUSE BILL # 35

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

REP. JACK SANDS,

Chairman

SUBMISSION OF CANDIDATE NAMES 40 DAYS BEFORE SCHOOL ELECTIONS.

BE AMENDED AS FOLLOWS:

- 1) Title, line 4
Strike: "INCREASING"
Insert: "CHANGING"

FIRST

WHITE

reading copy (_____)
color

ROLL CALL VOTE

EDUCATION AND CULTURAL RESOUCES

COMMITTEE

DATE JAN. 9, 1987

BILL NO. HB # 35

NUMBER 1

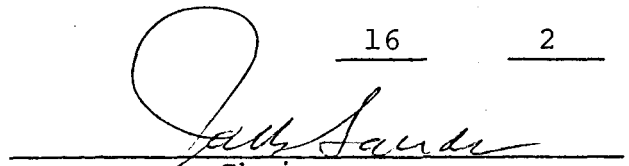
NAME	AYE	NAY
REP. JACK SANDS, CHAIRMAN	✓	
REP. RICHARD NELSON, VICE CHAIRMAN	✓	
REP. FRITZ DAILY	✓	
REP. RALPH EUDAILY	✓	
REP. WILLIAM GLASER	✓	
REP. DAN HARRINGTON	✓	
REP. NANCY KEENAN	✓	
REP. ROLAND KENNERLY	✓	
REP. EARL LORY	✓	
REP. JOHN MERCER	✓	
REP. GERALD NISBET	✓	
REP. JOHN PHILLIPS	✓	
REP. TED SCHYE	✓	
REP. BARRY STANG	✓	
REP. TONIA STRATFORD	✓	
REP. CHARLES SWYSGOOD		✓
REP. FRED THOMAS		✓
REP. MEL WILLIAMS	✓	

TALLY

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Secretary


Chairman

MOTION: Rep. Earl Lory moved House Bill # 35 DO PASS.

Lincoln County Superintendent of Schools

August 26, 1986

Cindy Middag
Superintendent

Borgie MacDonald
Deputy

418 Mineral Avenue
Libby, Montana 59720
Phone (406) 293-778
Ext. 250

The Honorable Mary Lou Peterson
House of Representatives
Helena, Montana 59601

My dear Mrs. Peterson:

Due to our previous discussion about class 2 and 3 school districts possibly being adversely affected by law 20-3-305, I surveyed the clerks in Lincoln County.

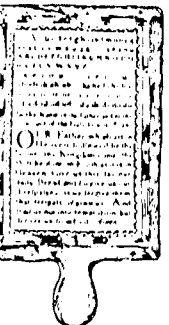
MCA 20-3-305 states

Candidate qualification and nomination. (1) any person who is qualified to vote in a district under the provisions of 20-20-301 shall be eligible for the office of trustee. (2) Any five electors qualified under the provisions of 20-20-301 of any district, except a first class elementary district, may nominate as many trustee candidates as there are trustee positions subject to election at the ensuing election. The name of each person nominated for candidacy shall be submitted to the clerk of the district not less than 20 days before the regular school election day at which he is to be a candidate. If there are different terms to be filled, the term for which each candidate is nominated shall also be indicated.

All clerks who had ever dealt with absentee ballots felt that the 20 day time limit was a real problem and they couldn't understand why class 1 districts were allowed 40 days.

MCA 20-3-344 states

Nomination of candidates by petition in first-class elementary district. Any 20 electors, qualified under the provisions of 20-20-301, of any first-class elementary district may nominate by petition as many trustee candidates as there are trustee positions subject to election at the ensuing election. The name of each person nominated for candidacy shall be submitted to the clerk of the district not less than 40 days before the regular school election day at which he is to be a candidate. If there are different terms to be filled, the term for which each candidate is nominated shall also be indicated. The election shall be conducted with the ballot as specified in 20-3-306.

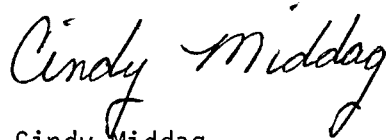


Ltr to Honorable Mary Lou Peterson - - Page two

Only two out of ten clerks were not adversely affected by MCA 20-3-305, mainly because they have never dealt with absentee ballots and their districts are so small that the ballot production takes a minimal amount of time.

In general, the clerks of Lincoln County and myself would support your efforts in extending the 20 day limit, possibly even making no distinction between class 1, 2, and 3 districts - allowing all districts a 40 day limits.

Respectfully,



Cindy Middag
Lincoln County Supt. of Schools

CM/brm

Mary Lou: They did listen to me see #4. Thank you might like to see the proposals and would appreciate your help. Thanks MMR



EXHIBIT 1-A
DATE 1-9-87
HB # 35

215 South Sixth West Missoula, Montana 59801 Telephone 406-728-4000

September 29, 1986

Donald L. Pettit
School District I
215 S. Sixth St. W.
Missoula, Montana 59801

Esther Nelson, Exec. Secretary
MASBO
213 Reid Hall
M. S. U.
Bozeman, Montana 59717



Re: Legislation

Dear Esther:

The Following issues and proposals were discussed and considered by John Deeney, John Campbell, Bob Stockton and myself on Sept. 23rd and 24th, in Helena, and are hereby submitted for consideration by the membership during the fall conference.

LEGISLATIVE COMMITTEE REPORT

- 1. **ISSUE:** Need for the establishment of the Revolving Clearing Fund.
PROPOSAL: Create such a fund in law and establish the authorization for school districts to transfer funds into such fund from any other school district fund.
- 2. **ISSUE:** Unnecessary information required on school district warrants (appropriation item number)
PROPOSAL: To delete sub section (1) and (b) section 20-9-221.
- 3. **ISSUE:** Need to provide for uncertain budget obligations for sick leave and vacation pay off to employees who are terminating employment.
PROPOSAL: Amend section 20-9-512 to include accumulative vacation leave and to encompass all school district personnel.
- 4. **ISSUE:** Clarify and standardize school election laws.
PROPOSAL:
 - A. Allow school district polls to be open at 7 a.m.
 - B. To repeal requirement that school board trustees swear in election judges.
 - C. To require 40 days rather than 20 days for trustee candidates to file nominating petitions.
 - D. Repeal section 20-20-204 which requires the posting of election notices and make the supplemental publication a requirement (radio, television or newspaper)

5. **ISSUE:** Means to increase voting participation in elections.

PROPOSAL: To allow conduct of elections by mail ballot as an option for school districts board of trustees.

6. **ISSUE:** Absentee balloting is not currently addressed in school election law.

PROPOSAL: Establish new statute requiring that absentee ballots be made available at least 11 calendar days prior to election day.

7. **ISSUE:** Present legal definition of additional levy is misleading to the public.

PROPOSAL: Change section 20-9-353 levy to be identified as "annual operations" levy.

8. **ISSUE:** Timeline for payment of elementary tuition payments.

PROPOSAL: To amend elementary tuition payment dates to coincide with those dates for high school tuition.

9. **ISSUE:** Excess administrative and accounting time for school districts to the present teacher retirement requirements for any certificated employees not under written individual contracts.

PROPOSAL: To exclude all certificated employees from TRS who are not under an individual written contract with the district.

10. **ISSUE:** Obligations of any school district going out of existence need to remain with such district.

PROPOSAL: Amend section 20-6-413 to provide taxing authority for a district going out of existence to levy sufficient mills on the property of the district to pay all remaining debts if cash balance of such district is not sufficient to pay such debts.

The Board of Trustees of the receiving district may elect to waive the requirement that the district being annexed levy such tax to pay all debts. If such waiver is made by the receiving district, such district shall be responsible for all such debts of the annexed district.

11. **ISSUE:** To eliminate some unnecessary procedures in disposing of personal property of the school district.

PROPOSAL: Amend 20-6-604 to provide different resolutions and procedures for the disposition of personal property. Basic change would be to eliminate the resolution of intent and the posting of notice. A publication shall be made regarding the disposal of personal property in newspaper, television or radio.

12. **ISSUE:** Name of the Housing and Dormitory fund is misleading.
- PROPOSAL:** Change section 20-9-506 to change the title of the fund to RENTAL rather Than Housing and Dormitory fund.
13. **ISSUE:** Need for reserve in the Debt Service Fund.
- PROPOSAL:** Authority to establish a reserve in the Debt Service Fund not to exceed 50 percent of the budgeted fund.

Esther, if you have any questions, please feel free to give me a call.

Sincerely,

Don

Donald L. Pettit
Director of Business

DLP/bc

cc: J. Deeney
J. Campbell
B. Stockton
file

VISITORS' REGISTER

EDUCATION AND CULTURAL RESOURCES COMMITTEE

BILL NO. HR# 35

DATE JAN 9 1987

SPONSOR PETERSON

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Ray Shackelford	Helena		
Julie Burk	Helena		
Katalin Fitzpatrick	Anaconda		
Jay Rasmussen	Dagmar		
Dean Switzer			
Grey Jackson	Helena		
Barb Becker	Townsend		
Van K. Staley	Colstrip		
Bob E Daniels	Park City		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.