

MINUTES OF THE MEETING
EDUCATION SUBCOMMITTEE
50TH LEGISLATURE

January 7, 1987

OVERVIEW: Dori Nielson of the LFA gave the committee an overview of the agencies whose budgets are considered by this committee. Two areas are involved. The first area is public schools, K-12, with the exceptions of Fire Services Training School, Vo-Tech centers and some preschool involvement. The second area is the higher education portion with the six units, Community Colleges, and some independent agencies of the University System. Each area has a policy board. The Board of Regents is responsible for higher education, is an appointed board and a commissioner that they hire to provide executive and administrative work. The Board of Public Education is appointed and their executive is elected.

The subcommittee will begin with the policy board for public education and the two agencies that are assigned to them by the legislature, the Fire Services Training School and School for the Deaf & Blind.

Taryn Purdy of the LFA, did a brief overview of the Board of Public Education. The board is responsible for exercising general supervision over the public school system including the adoption of accreditation standards. The board consists of seven members appointed by the Governor and approved by the Senate. Their budget includes 2.0 FTE staff persons and all costs of running the board's office as well as the per diem travel and other expenses of the board. They are required to meet at least quarterly.

There are four issues in this budget: 1) the number of meetings; 2) vacancy savings; 3) dues to the National Association of State Boards of Education; and 4) the current level of staffing.

Dori Nielson discussed the Fire Services Training School which is located at the Great Falls Vo-Tech Center and provides support and training for state fire services, primarily volunteer fire departments. The differences between the budgets (OBPP and LFA) are minimal.

Jim Haubein presented information concerning the School for the Deaf and Blind. He stated that the Audiology program at the Deaf & Blind School should be brought to the committees' attention. This program was moved from the Office of Public Instruction to the School for the Deaf and Blind, and now

Education Subcommittee

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has an administrator who is under the Board of Public Education. A major issue will be transportation for school children.

(Tape 2-2-B)

The meeting of the Education Subcommittee was called to order by Chairman Dennis Nathe at 8:05 a.m. on Wednesday, January 7, 1987 in Room 104 of the State Capitol.

ROLL CALL: All members were present. Also present was Dori Nielson and Jane Hamman of the Legislative Fiscal Analyst, Norm Rostocki of the Office of Budget and Program Planning, and Deb Thompson, Secretary.

BOARD OF PUBLIC EDUCATION:

OBPP: Norm Rostocki of the OBPP handed out an exhibit (Exhibit 1). This exhibit shows the categories and budget differences. The major differences are in per diem and vacancy savings of 4 percent taken by the OBPP. The LFA did not take vacancy savings. Other differences were noted.

LFA: Curt Nichols from the LFA said the dues membership was also a major issue since current level includes the \$7,000 and the OBPP did not because this cost was eliminated with the 2% cut.

Agency: (1-B-531) Ted Hazelbaker, Chairman of the Board of Public Education, handed out the Board of Public Education's 1989 biennium budget request (see exhibit). A main issue is the need for a budget analyst position.

Claudette Morton, Executive Secretary of the Board of Public Education, stated that the legislature imposed a new requirement on the Board of Public Education. The agency staff is too small to handle the additional information and analysis necessary to comply with this law, which requires a fiscal note procedure to substantiate the fiscal impact of new rules.

(Tape 2-2-A) Ted Hazelbaker stated that the membership in the National Association of School Boards of Education is up 4 percent. This is very necessary to keep abreast nationally. The technical assistance is important to the board. Money is also needed for instate travel. It is a small amount but critical. Per diem is important for the board members as well as out-of-state travel funding. In a small agency vacancy savings have resulted in additional costs and this is not possible for a small agency to absorb. The board can get by with the eight meetings a year, though they would prefer the requested eleven meetings.

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Proponents: Gail Gray of Office of Public Instruction supported the board's request for adequate funding. They have a constitutional responsibility to exercise supervision over public education in the state.

Eric Feaver, president of Montana Education Association supported the need for an additional staff person.

Terry Minnow of the Montana Federation of Teachers supported the Board of Public Education.

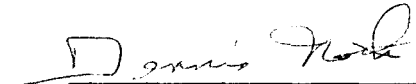
Bruce Moerer, Staff Attorney for the School Board Association, (2-2-A-188) stated that it is important to know the impact of the rules and regulations of the Board of Public Education. He also agreed as to the value of meetings and the importance of travel.

Opponents: There were no opponents.

Committee discussion followed. Representative Peck wondered about the duplication of work by the Office of Public Instruction and the Board of Public Education. Senator Hammond (2-2-A-302) mentioned complaints about the impact of the rules made by the Board of Public Education and agrees that there is a duplication of information. Accreditation standards, however, need to be in place. There was some discussion about placing the audiology directors position directly under the board. A decision concerning this will be made. Following the board meeting next Tuesday, the representatives will come back to the Education Subcommittee if necessary.

ADJOURNMENT:

(2-2-B-000) Chairman Nathe thanked the agencies for coming. He announced a work session on Friday for executive action. The committee adjourned at 9:45 a.m.


DENNIS NATHE, Chairman

DAILY ROLL CALL

EDUCATION SUB COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 1-7-87

NAME	PRESENT	ABSENT	EXCUSED
Rep. Dennis Nathe, Chairman	✓		
Sen. Judy Jacobsen, Vice Ch.	✓		
Sen. Swede Hammond	✓		
Rep. Dennis Iverson	✓		
Sen. Greg Jergeson	✓		
Rep. Ray Peck	✓		

K...
1-7-87

SUBCOMMITTEE ACTION

Agency: School for the Deaf and Blind

Program: Administration

	FY 1986 Actual	FTE	Fiscal 1988		Difference	Fiscal 1989		Difference
			Executive	Current Level		Executive	Current Level	
Personal Services	\$137,409	5.00	\$135,598	\$135,609	\$ (11)	\$135,500	\$135,516	\$ (16)
Operating Expenses	46,832		60,767	61,040	(273)	44,049	44,322	(273)
Total Expenditures	\$184,241		\$196,365	\$196,649	\$(284)	\$179,549	\$179,838	\$(289)
Funding								
Total General Fund	\$184,241		\$196,365	\$196,649	\$(284)	\$179,549	\$179,838	\$(289)

Committee Action
Fiscal 1988 Fiscal 1989

~~3~~ 3 LFA

SUBCOMMITTEE ACTION

Agency: State Lands

Program: Central Management

	FY 1984	Fiscal 1986		Fiscal 1987		FY 84-86		
	Actual	Executive	Current Level	Difference	Executive	Current Level	Difference	% Change
FTE	19.00	17.00	17.00	0.0	17.00	17.00	0.0	(10.5)
Personal Services	\$ 515,736	\$ 477,661	\$ 477,895	\$ (234)	\$ 478,953	\$ 479,219	\$ (266)	(7.3)
Operating Expenses	274,435	837,801	360,224	477,577	810,665	369,029	441,636	31.3
Equipment	17,833	45,000	5,661	39,339	16,000	-0-	16,000	(68.3)
Non-Operating	255,000	265,000	255,000	10,000	265,000	255,000	10,000	0.0
Total Exp.	\$1,063,004	\$1,625,462	\$1,098,780	\$526,682	\$1,570,618	\$1,103,248	\$467,370	3.4
FUNDING								
General Fund	\$ 844,462	\$ 845,287	\$ 836,460	\$ 8,827	\$ 820,978	\$ 809,728	\$ 11,250	(1.0)
State Special Rev.	115,987	622,355	120,000	502,355	560,620	120,000	440,620	3.5
Proprietary	102,555	157,820	142,370	15,500	189,020	173,570	15,500	38.8
Total Funding	\$1,063,004	\$1,625,462	\$1,098,780	\$526,682	\$1,570,618	\$1,103,248	\$467,370	38.8

Add to (Subtract From)

LFA Current Level

Fiscal 1987

Fiscal 1986

Committee Action

Fiscal 1987

\$468,994 \$403,595

1. Data Processing Expansion--
 Computer Processing \$301,136;
 Systems Development \$484,885;
 Microfilm Services \$21,150;
 Data Processing Supplies, \$4,418;
 Equipment \$61,000.
2. Legal Cases on Navigability
3. Gasoline for Aircraft
4. Utilities Increase
5. Increased County Equalization Payments
6. Office Equipment
7. Miscellaneous
8. Inflation

Modified Budgets

1. Trust Proofing--General Fund \$ -0-
2. Pilot Transfer--General Fund \$ 25,869

Example of Format

REPORT EBSR106
 DATE : 01/03/87
 TIME : 17/01/55

OFFICE OF BUDGET & PROGRAM PLANNING
 EXECUTIVE BUDGET SYSTEM
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 5101 BOARD OF PUBLIC EDUCATION
 PROGRAM : 01 ADMINISTRATION
 CONTROL : 00000

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
0000	FULL TIME EQUIVALENT (FTE)	2.00	2.00			2.00	2.00		
1100	SALARIES	52,944	54,958	-2,014		52,742	54,748	-2,006	
1300	OTHER COMPENSATION	8,192		8,192		8,192		8,192	
1400	EMPLOYEE BENEFITS	7,837	8,137	-300		7,933	8,237	-304	
1500	HEALTH INSURANCE	2,760	2,760			2,760	2,760		
1600	VACANCY SAVINGS	-2,542		-2,542		-2,537		-2,537	
1800	TOTAL SECOND LEVEL	69,191	68,117	1,074		69,090	68,007	1,083	
2021	CONTRACTED SERVICES-INFLATION	-1	-1			-1	-1		
2022	SUPPLIES & MATERIALS-INFLATION	7	14	-7		11	23	-12	
2023	COMMUNICATIONS-INFLATION	41	41			64	63	1	
2100	CONTRACTED SERVICES	10,104	9,529	575		7,793	7,129	664	
2200	SUPPLIES & MATERIALS	2,491	2,583	-92		2,491	2,583	-92	
2300	COMMUNICATIONS	5,333	5,995	-662		5,333	5,995	-662	
2400	TRAVEL	14,579	11,542	3,037		14,579	11,542	3,037	
2500	RENT	586	621	-35		586	621	-35	
2700	REPAIR & MAINTENANCE	1,056	876	180		1,056	876	180	
2800	OTHER EXPENSES	309	7,364	-7,055		309	7,364	-7,055	
	TOTAL SECOND LEVEL	34,505	38,564	-4,059		32,221	36,195	-3,974	
	TOTAL PROGRAM	103,696	106,681	-2,985		101,311	104,202	-2,891	
01100	GENERAL FUND	103,696	106,681	-2,985		101,311	104,202	-2,891	
	TOTAL PROGRAM	103,696	106,681	-2,985		101,311	104,202	-2,891	

DATE 1-7-87
 HB OPP

①



Board of Public Education

EXHIBIT _____
DATE 1-7-87
HB Bill of Pub Ed

Claudette Morton
Executive Secretary

BOARD OF PUBLIC EDUCATION'S 1989 BIENNIUM BUDGET REQUEST

Presented to
Education Subcommittee
January 7, 1987

BOARD MEMBERS
EX OFFICIO MEMBERS:

- Ted Schwinden, Governor
- Ed Argenbright, Superintendent of Public Instruction
- Carrol Krause, Commissioner of Higher Education

APPOINTED MEMBERS:

- Ted Hazelbaker, Chairman Dillon
- Alan Nicholson, Vice-Chairman Helena
- James Graham Ismay
- Sarah "Sally" Listerud Wolf Point
- Arthur "Rocky" Schauer Libby
- Bill Thomas Great Falls
- Thomas A. Thompson Browning

The Board of Public Education derives its powers from the Montana Constitution, which states that its "to exercise general supervision over the public school system." This general statement encompasses several comprehensive responsibilities. The board is responsible for determining the accreditation standards of Montana schools and establishing the accreditation status of every school each year. In determining accreditation standards it also defines the basic instructional program for all Montana public schools. It sets special education policy, gifted and talented policy, educational media policy and school transportation policy. It exercises responsibility in the area of hours in a district school day, pupil-instruction-related days,, kindergarten variances and school food services. The board administers and orders the distribution of state equalization aid, adopts high school equivalency diploma standards, teacher education program standards and effects an orderly and uniform system for teacher certification and suspension appeals. In addition to all of these programs which directly impact the public schools, the Board of Public Education is designated as the governing board for the Montana School for the Deaf and Blind and the Montana Fire Services Training School. Together with the Board of Regents it meets twice a year with the Governor for the purpose of general planning, coordination and evaluation of the state's educational system.

ISSUE I. BUDGET ANALYST POSITION

Section 20-2-115 MCA (see attached) was passed in the 49th Legislature. It requires the board to adopt a fiscal note procedure and to determine if a proposed new rule has substantial fiscal impact before the board can proceed to rulemaking. At the time of its passage the Legislature was concerned that the board not impose expensive new rules on the schools of Montana without the Legislature funding those new programs. What the Legislature did was to impose a very expensive new law on the Board of Public Education without providing the means for the board to meet these new requirements. With this requirement the board receives fiscal information from the Superintendent of Public Instruction but it also needs additional information and analysis to make the independent judgement. Because the agency staff is so small it is impossible for them to assume additional responsibility of this magnitude.

The interim education subcommittee which studied the cost of a basic education this past biennium found it extremely difficult to determine this question. Part of the reason appears to be the Office of Public Instruction. That staff has suffered severe cutbacks and the Board of Public Education finds it increasingly difficult to get statistical information on a timely basis from them. The board recognized that these are very difficult times for the State of Montana but now is the time for the board to have this additional help to be more fiscally responsible and to help the schools be more fiscally responsible. This position is absolutely critical to the Board of Public Education's operations, not only in determining the fiscal impact of potential rule changes but for its day to day operations. The Board of Public Education requests the following funds for this position:

	<u>FY '88</u>	<u>FY '89</u>
Personnel Costs	\$31,776	\$31,804
Other Costs - Equipment & Supplies	3,000	692.

ISSUE 2. ADMINISTRATIVE RULES OF MONTANA PRINTING

The Board of Public Education is responsible for 203 pages of Rules, 62 of those require a fiscal note (20-2-115 MCA), so 161 do not.

FY '85	Spent \$2174.00
FY '86	Spent \$ 820.00 (cutback due to budget reductions)
FY '87	Spent to date \$870 with about that much again being considered for hearings right now
In 1988	Need to rewrite policy for the Montana School for the Deaf and Blind so they can meet accreditation

20-2-115. Rules with substantial financial impact — fiscal note — effect without funding. (1) When developing rules, policies, and standards under 20-2-121(6), (7), (9), and (11), the board of public education shall concurrently develop a fiscal note to determine the financial impact of the rule, policy, or standard on school districts.

(2) The superintendent of public instruction shall prepare a suggested fiscal note for submission to the board. The board may also accept other testimony and exhibits on the financial impact to school districts before completing a final fiscal note.

(3) If the financial impact of the proposed rule, policy, or standard is found by the board to be substantial, the board may not proceed to rule-making and shall request the next legislature to fund implementation of the proposed rule, policy, or standard through the foundation program. A substantial financial impact is an amount that cannot be readily absorbed in the budget of an existing school district program.

(4) A proposed rule, policy, or standard not found by the board to have a substantial financial impact on school districts or funded by the legislature may proceed to rulemaking.

History: En. Sec. 1, Ch. 691, L. 1985.

Cross-References

Duties of Board of Public Education, Art. X,
sec. 9, Mont. Const.

Foundation program, 20-9-303.

In 1989 Teacher Education Program Standards revision due.
This is 70 pages alone.

The Board requests \$2100 per year for 70 pages each year.

ISSUE 3. NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION DUES
(NASBE)

The national organization voted a 4% increase in dues for the 1988-1989 biennium. The 1987 dues were \$6784. The board realizes many benefits from belonging to this organization. NASBE's services help state board members to be proactive in educational policymaking through timely information and assistance. Services provided include:

- 1) Governmental Affairs: working with members of Congress, federal officials and representatives of other national organizations to represent educational community views in the federal education policymaking process.
- 2) Technical Assistance: NASBE special projects serve the board by training members in issues of national concern.
- 3) State Board Training: assist in reviewing the organization and performance of the board.
- 4) Conferences: provide opportunity to assess what has been accomplished and explore what lies ahead in the form of new board member training, business and committee meetings, special workshops, and interaction with nationally known speakers and educators.
- 5) Information Services: Education Week is provided to each member in addition to the association's newsletter, The State Board Connection, and periodic legislative newsletters. These aid in keeping board members fully informed on key issues.
- 6) Affiliates: two affiliate groups serve the boards-- Executive Secretaries to State Boards and the Legal Conference. Groups conduct meetings to share information and skills, use a clearinghouse for data exchange and cooperate in dealing with issues affecting state board members.
- 7) Communications: provide information to state board members through its electronic mail service.
- 8) Errors and Omissions Coverage: Offers special insurance for all past, present or future directors, officers,

employees, and board or committee members while they are acting in that capacity.

The Board of Public Education does not feel it can function effectively without the services of this organization. Therefore, it requests appropriations in this category of \$7055 for '88 and \$7337 for '89.

ISSUE 4. IN-STATE TRAVEL

The Board of Public Education has been meeting most recently eight times a year. The Governor's budget reflects travel money for eight meetings, as well as \$1300 for individual board members and the executive secretary to attend other meetings and conferences, for committee meetings, and to do research. This is a very small travel budget but it is critical to the board's operations. If board members and staff can see school programs and visit with educators, as well as come together for committee meetings, the deliberations and conduct of board business can be on a better informed basis and more efficiently done.

The Governor's budget reflects five meetings in Helena, two in Great Falls and one in Billings. While it is most inexpensive to have a board meeting in Helena, it is critical again for the board to have communication with a wide variety of educators and the public for the three meetings in other communities. The requested amount of \$14,579 per year gives the board that needed flexibility and communication with constituents and the public.

ISSUE 5. PER DIEM FOR THE BOARD

While the Legislative Fiscal Analyst's budget reflects per diem compensation of \$50 per day for board members, it does not allow for loss of time to and from meetings, nor per diem when members are on board business. That is, when members must come in early for committee meetings or because board meetings must be extended. This is a citizen board and the people on it are already giving a great deal of time, expertise, and even personal resources. In order to have citizen representation it is important that the per diem compensation be provided at the Governor's level of \$8192 each year.

ISSUE 6. OUT-OF-STATE TRAVEL

The Board of Public Education requested current level funding for out-of-state travel. The amount is only \$1214. This obviously will not allow for very extensive travel by the staff or the board. However, it is critical to maintain this small amount in the board's budget. The board hopes that the committee will concur with the Legislative Fiscal Analyst in maintaining the \$1214 each year.

ISSUE 7. VACANCY SAVINGS

The Governor's proposal to take four percent vacancy savings is impossible for a small agency to absorb. The last two times this agency has had staff vacancies it has cost additional money rather than saving the agency anything. When the administrative assistant resigned temporary secretarial services had to be hired until the position could be filled. When the executive secretary resigned it was essential that the new secretary be on staff for orientation before the previous one actually left so there were a few days of double pay so that essential services could be maintained. In addition to the need for covering essential services at all times in a small agency, when a staff person resigns there is often the added expense of payoff of vacation and sick leave entitlements. In the Board of Public Education's case, staff changes have resulted in additional costs not vacancy savings.

ISSUE 8. ELEVEN BOARD MEETINGS A YEAR

The Board of Public Education finds it difficult to conduct the business which is attendant to the responsibilities outlined earlier in eight meetings a year. Therefore, it requested eleven meetings a year. However, again recognizing the difficult times for the State of Montana and its people, the Board withdraws that request. This request amounted to \$7772 per year.

Exhibit
1-7-87



OFFICE OF PUBLIC INSTRUCTION

STATE CAPITOL
HELENA, MONTANA 59620
(406) 444-3095

Ed Argenbright
Superintendent

January 8, 1987

To: Representative Dennis Nathe, Chairman
Education and Cultural Resources Committee

From: *Gail Gray*
Director of Special Education
Office of Public Instruction

Re: Support for Funding of Montana School for
the Deaf and Blind

The Office of Public Instruction is in strong support of adequate funding for the Montana School for the Deaf and Blind. Their mission has been well defined this morning and is one no one can deny. Programs provided on campus in Great Falls and throughout the state by itinerant specialists bring needed service to the children and youth of our state with sensory impairments. In addition to direct services to children they provide needed resources to school districts which serve deaf and blind students in their resident school.

On December 9, 1986, at the request of the Superintendent of the School and the Board of Public Education a preliminary accreditation review and a special education compliance monitoring by Office of Public Instruction staff was done. We have complete reports of their findings available if you wish to examine them but I want to comment on several aspects. Commendations on quality of staff, program goals, coordination with public schools, and the facilities were made. Concerns existed though. Textbooks in regular use were often sadly out of date. It is certainly inappropriate to see science texts which predict that some day man may land on the moon.

Since March of 1984 there had been a notable reduction of staff at the school. We found the extent of reduction in services due to budget restraints regrettable. We were especially concerned with the fact that the school was not employing a licensed speech/language pathologist. This was in spite of individual students having individual education plans which called for services which need to be provided by one. As a consequence of this, the school is out of compliance with federal and state special education statutory and regulatory requirements. If this is not corrected, at a minimum, federal special education funds are in jeopardy.

For these reasons, we ask your support in meeting the funding requests of the Montana School for the Deaf and Blind.

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1-7-87

STATE OF MONTANA

3911 CENTRAL AVENUE

GREAT FALLS, MONTANA 59401

(406) 453-1401

TED SCHWINDEN GOVERNOR

TO: REPRESENTATIVE NATHE, CHAIRMAN AND MEMBERS OF THE EDUCATION
SUBCOMMITTEE
FROM: BILL SYKES, BUSINESS MANAGER *Bill*
RE: ISSUES RAISED IN THE LEGISLATIVE FISCAL ANALYSTS BUDGET BOOK
DATE: JANUARY 8, 1987

Mr. Chairman and Members of the Education Subcommittee, for the record I am Bill Sykes, Business Manager at the Montana School for the Deaf and the Blind in Great Falls. The LFA has raised ten (10) issues with the school's budget as listed on Page E-8 through E-10. Each issue is addressed below.

ISSUE I: PERSONAL SERVICES:

STUDENT SERVICES PROGRAM -- The LFA reduced the budgeted amount for live-in houseparents and cottage life attendants by \$28,515 per year.

Fiscal 1987 contracts for five (5) live-in houseparents represented by the 3.92 FTE total \$57,991 for an average salary of \$11,598. Fiscal 1987 salaries adjusted for fiscal 1988 and 1989 represents the \$58,000 (rounding off) requested in each year of the 1989 biennium for an average salary of \$11,600. The amount requested simply maintains current positions without any increase from fiscal 1987.

The LFA also reduced the budget for cottage life attendants. The amount of reduction eliminates the school's substitute budget in the student services program of approximately \$16,000 per year. If a cook or a cottage life attendant becomes ill, the school cannot stop serving meals or providing supervision of resident students. Substitutes must be hired to provide continuity of service and to meet all legal obligations of providing for children placed at this residential facility by their local education agency. Expenditures for substitutes for fiscal 1985 and 1986 average \$17,581.

EDUCATION PROGRAM -- The LFA reduced the budget for substitutes and teacher aides in this program.

The amount requested for substitutes in the 1989 biennium is \$30,114 in 1988 and \$30,021 in 1989. Expenditures for substitutes for fiscal years 1983 through 1986 average \$30,977. The amount requested for substitutes simply maintains current level services. Classrooms cannot be left unattended when a teacher or aid becomes ill. Substitutes must be hired.

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Current fiscal year contracts total \$68,808 for teacher aids. The LFA's reduction in this position translates into a reduction in current staff.

ISSUE II: SUPPLIES REDUCTION

Although expenditures for janitorial and educational supplies exceeded levels budgeted by the 49th legislature, total operating expenses for the General Services Program as indicated in Table 2 on Page E-14 stayed within the amount budgeted by the legislature. The same is true for total operating expenses in the Education Program as indicated in Table 4 on Page E-18. Legislative intent as I understand it, is to not line item appropriate each agency for every operating expense category. Rather, I believe the intent is to allow agencies the flexibility to respond to changing needs and circumstances. The LFA's methodology eliminates management discretion to manage operating budget within total levels anticipated by the legislature.

ISSUE III: PURCHASE OF TEXTBOOKS

The school requested \$19,500 in fiscal 1988 to purchase new science, social studies and reading series textbooks. The copyrights on textbooks currently being used are 1959 for science, 1962 for social studies and 1969 for reading series. Mr. Dan Dolan from the Office of Public Instruction, after examining textbooks used at the school, had this to say, "Given the explosion in technology and the rapid advancements in history and science, it is difficult to understand how students can be instructed with contemporary materials which are 30 years old." Mr. Dolan is here to speak to this issue.

In response to the LFA's statement that it appears the books requested were purchased in fiscal 1986, replacements for textbooks used at the school have not been purchased. Miss Lucille Krajacich, Principal for the Deaf and Blind Programs will address why there has been an increase from fiscal 1985 to 1986 in expenditures for books and reference material.

ISSUE IV: POSTAGE DECREASE

Postage expenditures increased in Fiscal 1986 as a result of the following:

- 1) The majority of postage expenditures for the Education Program were paid from the Administration budget in Fiscal 1985. In fiscal 1986 all postage expenditures related to the Education Program were costed to that programs budget.
- 2) There were two (2) increases in postal rates - one in February of 1985 and another increase in February 1986. The increase referred to is in library rates and book rates. Rates were raised to the amounts listed below:

Library Rate

<u>February 1985</u>		<u>February 1986</u>	
1 lb.	\$.40	1 lb.	\$.54
2 lb. . . . .	.54	2 lb. . . . .	.73
3 lb. . . . .	.68	3 lb. . . . .	.92
4 lb. . . . .	.82	4 lb.	1.03
5 lb. . . . .	.96	5 lb.	1.22
10 lb.	1.48	10 lb.	1.98
15 lb.	1.88	15 lb.	2.48

Book Rate

<u>February 1985</u>		<u>February 1986</u>	
1 lb.	\$.55	1 lb.	\$.69
2 lb. . . . .	.75	2 lb. . . . .	.94
3 lb. . . . .	.95	3 lb.	1.19
4 lb.	1.15	4 lb.	1.44
5 lb.	1.35	5 lb.	1.69
10 lb.	Not Available	10 lb.	2.74
15 lb.	Not Available	15 lb.	3.49

In summary, expenditures for postage increased in fiscal 1986 from fiscal 1985 as a result of shifting expenditures from the Administration Program to Education where the expenditures should be properly charged and from an increase in postal rates. As with issue 2, the school stayed within total operating expenses as anticipated by the legislature.

ISSUE VI: AUDIOLOGY PROGRAM

Mr. Merle Devoe, Administrator of the Audiology Program will address this issue.

ISSUE VII: TRANSPORTATION OF STUDENTS

The school requested a base adjustment of \$14,000 in each fiscal year to pay for an increase in the cost of transporting resident students home on school travel weekends. Transportation costs have increased in fiscal 1987 from 1986 due to:

- 1) Frontier Airlines dropped flights from Great Falls to Kalispell and Bozeman, requiring the school to put agency vans on the road to each location. The school had to contract with school employees to drive the vans and also to pay for supervision to each location.
- 2) Rates charged by commercial carriers were raised approximately 33 percent for airfares and 21 percent for bus tickets.
- 3) The school used up a credit of \$1,723 on bus tickets in fiscal 1986 which is not available in fiscal 1987.

In summary, travel costs have increased in fiscal 1987 by \$14,000 from fiscal 1986. One of the primary factors contributing to the increase is having to put school vans on the road to Kalispell and Bozeman.

ISSUE VIII: EQUIPMENT PURCHASES

Listed below in priority order is equipment requested for the 1989 biennium.

<u>Priority</u>	<u>Equipment Item</u>	<u>-----Cost-----</u>	
		<u>1988</u>	<u>1989</u>
(1)	Copy Machine	\$8,000	
(2)	Dishwashers (3 ea.)	800	\$ 400
(3)	Vacuums (Prog. 02 + 03)	6,393	
(4)	Typewriters	2,150	1,900
(5)	Washers & Dryers	1,400	700
(6)	Washers & Dryers	1,300	900
(7)	Copy Machines (2 ea.)	3,000	3,000
(8)	Tractor Mower	6,300	
(9)	Television Sets	1,600	800
(10)	School Bus	34,950	
(11)	Slide/Movie Projectors		3,000
(12)	Food Processor		500
(13)	Refrigerator	500	
(14)	Portable Sewing Machines (5 ea.)	540	360
	Total Cost	<u>\$66,933</u>	<u>\$11,560</u>

ISSUE IX: SCHOOL FOOD REVENUES

Federal school food reimbursement rates are not known yet for fiscal 1988 and 1989. According to the Office of Public Instruction, more information should be available in February.

ISSUE X: CHAPTER I FUNDS

The federal allocation of Chapter I funds for fiscal 1988 and 1989 is unknown as of this date. I estimate federal Chapter I funds of \$170,847 in fiscal 1988 and \$171,068 in fiscal 1989. The school will be \$1,935 short in fiscal 1988 and \$21,897 short in fiscal 1989 to fund total project costs. These amounts are presented in the executive budget as modified requests. The amounts requested have decreased as supplemental federal funds of \$2,690 were received in mid November. The LFA did not include this request.

SUBCOMMITTEE ACTION

Agency: Fire Services Training School

	FY 1986 Actual	Executive	Fiscal 1988		Fiscal 1989		Difference
			Current Level	Difference	Current Level	Difference	
FTE	6.00	5.00	5.00	0.00	5.00	0.00	
Personal Services	\$183,293	\$156,349	\$162,571	\$(6,222)	\$162,964	\$(6,848)	
Operating Expenses	53,215	58,198	50,643	7,555	48,476	8,370	
Equipment	5,553	-0-	-0-	-0-	2,000	(1,500)	
Total Expenditures	\$242,061	\$214,547	\$213,214	\$ 1,333	\$213,440	\$ 22	
Funding							
General Fund	\$227,940	\$200,547	\$199,214	\$ 1,333	\$199,440	\$ 22	
Federal Revenue	12,501	2,000	2,000	-0-	2,000	-0-	
Proprietary Fund	1,620	12,000	12,000	-0-	12,000	-0-	
Total General Fund	\$242,061	\$214,547	\$213,214	\$ 1,333	\$213,440	\$ 22	

Add to (Subtract from)
LFA Current Level

Fiscal 1988	Fiscal 1989	Fiscal 1988	Fiscal 1989

ISSUES:

MODIFIED BUDGET:

01/08/87

EDUCATION SUBCOMMITTEE INFORMATION

Agency: Fire Services Training School

Expenditure	OBPP Budget	-----1989 Biennium-----		OBPP over (under) LFA
		LFA Current Level		
PERSONAL SERVICES				
1100 Salary	\$271,553	\$270,955		\$598
1400 Benefits	\$53,932	\$54,580		(\$648)
1600 Vacancy Savings	(\$13,020)	\$0		(\$13,020)
OPERATING EXPENSES				
2100 Contracted Serv	\$18,754	\$8,232		\$10,522
2200 Supplies	\$27,295	\$31,013		(\$3,718)
2300 Communications	\$26,169	\$24,370		\$1,799
2400 Travel	\$28,344	\$21,658		\$6,686
2500 Rent	\$1,532	\$1,532		\$0
2700 Repair/Maint	\$3,854	\$4,018		(\$164)
2800 Other	\$3,096	\$2,296		\$800
2900 Goods for Resal	\$6,000	\$6,000		\$0
EQUIPMENT				
3100 Equipment	\$500	\$2,000		(\$1,500)
TOTAL	\$428,009	\$426,654		\$1,355

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SUBCOMMITTEE ACTION

Agency: School for the Deaf and Blind

Program: Administration

	FY 1986 Actual	FTE	Fiscal 1988		Difference	Fiscal 1989		Difference
			Executive	Current Level		Executive	Current Level	
Personal Services	\$137,409	5.00	\$135,598	\$135,609	\$ (11)	\$135,500	\$135,516	\$ (16)
Operating Expenses	<u>66,832</u>		<u>60,767</u>	<u>61,040</u>	<u>(273)</u>	<u>44,049</u>	<u>44,322</u>	<u>(273)</u>
Total Expenditures	<u>\$184,241</u>		<u>\$196,365</u>	<u>\$196,649</u>	<u>\$(284)</u>	<u>\$179,549</u>	<u>\$179,838</u>	<u>\$(289)</u>
<u>Funding</u>								
Total General Fund	<u>\$184,241</u>		<u>\$196,365</u>	<u>\$196,649</u>	<u>\$(284)</u>	<u>\$179,549</u>	<u>\$179,838</u>	<u>\$(289)</u>

Committee Action
Fiscal 1988
Fiscal 1989

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SUBCOMMITTEE ACTION

Agency: School for the Deaf and Blind

Program: General Services

	FY 1986 Actual	Fiscal 1988		Fiscal 1989		Difference
		Executive	Current Level	Executive	Current Level	
FTE	6.50	4.00	4.00	4.00	4.00	0.00
Personal Services	\$118,436	\$ 91,171	\$ 91,014	\$ 91,692	\$ 91,542	\$ 150
Operating Expenses	150,913	160,195	157,711	170,308	167,994	2,314
Equipment	3,510	6,190	-0-	1,650	-0-	1,650
Total Expenditures	\$272,859	\$257,556	\$248,725	\$263,650	\$259,536	\$4,114
<u>Funding</u>						
Total General Fund	\$272,859	\$257,556	\$248,725	\$263,650	\$259,536	\$4,114

Add to (Subtract from)

LFA Current Level

Fiscal 1988	Fiscal 1989
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Committee Action

Fiscal 1988	Fiscal 1989
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1. Janitorial Supplies - Reduction for current level because fiscal 1986 was 21% higher than fiscal 1985 and 29% above budgeted level.

2. Equipment - Small tractor in fiscal 1988 and vacuum in fiscal 1989

SUBCOMMITTEE ACTION

Agency: School for the Deaf and Blind

Program: Student Services

	FY 1986 Actual	Fiscal 1988		Fiscal 1989		Difference
		Executive	Current Level	Executive	Current Level	
FTE	27.47	31.95	31.95	31.95	31.95	0.00
Personal Services	\$526,660	\$603,951	\$576,045	\$603,428	\$575,578	\$ 27,850
Operating Expenses	99,040	112,183	100,866	115,127	103,819	11,308
Equipment	16,851	7,110	1,400	4,200	1,000	3,200
Total Expenditures	\$642,551	\$723,244	\$678,311	\$722,755	\$680,397	\$ 42,358
<u>Funding</u>						
General Fund	\$612,551	\$693,244	\$643,311	\$692,755	\$645,397	\$ 47,358
Federal Revenue	30,000	30,000	35,000	30,000	35,000	(5,000)
Total Funding	\$642,551	\$723,244	\$678,311	\$722,755	\$680,397	\$ 42,358

Add to (Subtract from)

	LFA Current Level	Fiscal 1989
Fiscal 1988		

	Fiscal 1988	Fiscal 1989
Committee Action		

ISSUES:

1. Cottage Life Attendant and House Parent -
Aggregate Positions

\$25,946 \$25,890

2. Health Insurance

1,960 1,960

3. Transportation to and from home for resident
school children

11,198 11,198

4. Equipment

5,710 3,200

Revenues

1. School Food Revenue

\$5,000 \$5,000

SUBCOMMITTEE ACTION

Agency: School for the Deaf and Blind

Program: Education

	FY 1986 Actual	Executive	Fiscal 1988 Current Level	Difference	Executive	Fiscal 1989 Current Level	Difference
FTE	47.60	43.68	43.68	0.00	43.68	43.68	0.00
Personal Services	\$1,134,166	\$1,124,050	\$1,114,874	\$ 9,176	\$1,122,199	\$1,115,011	\$ 7,188
Operating Expenses	116,612	127,434	108,315	19,119	124,435	108,421	16,014
Equipment	30,908	5,150	10,700	(5,550)	4,900	6,500	(1,600)
Total Expenditures	\$1,281,686	\$1,256,634	\$1,233,889	\$22,745	\$1,251,534	\$1,229,932	\$21,602
Funding							
General Fund	\$ 898,257	\$ 880,029	\$ 860,519	\$19,510	\$ 894,456	\$ 857,006	\$ 37,450
Federal Revenue	383,429	376,605	373,370	3,235	357,078	372,926	(15,848)
Total Funding	\$1,281,686	\$1,256,634	\$1,233,889	\$22,745	\$1,251,534	\$1,229,932	\$21,602

Add to (Subtract from)

LFA Current Level

Fiscal 1988	Fiscal 1989
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Committee Action

Fiscal 1988	Fiscal 1989
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Expenditures

1. Personal Services Differences	\$9,176	\$7,188		
2. Reduction of consulting services to reflect reduction of Chapter I funds	2,025	2,025		
3. Additional contract services in Exec. Budget	3,100	-0-		
4. Purchase of new textbooks	9,750	9,750		
5. Reduction of educational supplies 16.5% over fiscal 1985 and 50% higher than appropriated level	2,236	2,236		
6. Reduction of postage - Appropriated level was \$816, actual fiscal 1985 was \$793 and fiscal 1986 was at \$4,835	2,335	2,335		

<u>ISSUES - Continued</u>	Add to (Subtract from)		Committee Action	
	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
7. Equipment difference	\$(5,550)	\$(1,600)		
<u>Revenues</u>				
1. Chapter I Funding Loss - Replacement with general fund	3,100	24,019		
2. Athletic program funds	3,000	3,000		

SUBCOMMITTEE ACTION

Agency: School for the Deaf and Blind

Program: Audiological Services Program

	FY 1986 Actual	Executive	Fiscal 1988 Current Level	Difference	Executive	Fiscal 1989 Current Level	Difference
FTE	0.00	1.00	1.00	0.00	1.00	1.00	0.00
Personal Services	\$ -0-	\$ 29,176	\$ 31,216	\$(2,040)	\$ 29,126	\$ 31,284	\$(2,158)
Operating Expenses	671,574	466,373	454,146	12,227	466,425	454,146	12,279
Equipment	-0-	17,101	17,101	-0-	-0-	-0-	-0-
Total Expenditures	\$671,574	\$512,650	\$502,463	\$ 10,187	\$495,551	\$485,430	\$10,121
<u>Funding</u>							
Total General Fund	\$671,574	\$512,650	\$502,463	\$ 10,187	\$495,551	\$485,430	\$10,121

Add to (Subtract from)

	Fiscal 1988 LFA Current Level	Fiscal 1989	Fiscal 1988	Fiscal 1989
1. Audiology Contracts - Fiscal 1987 level versus request level	\$15,461	\$15,461		
2. Directors Salary - Actual salary paid in fiscal 1987 versus requested salary.	(2,040)	(2,158)		
3. Operating Expenses	(3,234)	(3,234)		

ISSUES:

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ISSUE 1: COTTAGE LIFE ATTENDANTS - RATE OF PAY

The fiscal 1987 rate of pay is \$6.66. The executive budget funds these positions at \$6.956 or two steps higher for a difference of \$10,842 in salary each year.

House Parent Aggregate Position

Table 1 shows the actual costs, hours worked, average rate per hour, actual FTE and budgeted FTE for the House Parent Aggregate Program for fiscal years 1983 through 1986 and the fiscal 1988 request.

Table 1
House Parent Aggregate Position - Fiscal Years 1983 through 1986

	<u>FY 1983</u>	<u>FY 1984</u>	Actual <u>FY 1985</u>	<u>FY 1986</u>	Request <u>FY 1988</u>
Actual Costs	\$51,853	\$72,701	\$52,236	\$59,830	\$58,436
Actual Hours	7,798	10,729	9,262	11,318	8,216
Average Hourly Rate	\$6.65	\$6.78	\$5.64	\$5.29	\$7.11
Actual FTE	3.73	5.14	4.44	5.42	3.92
Budgeted FTE	3.92	3.92	3.92	3.92	3.92

This table shows that since fiscal 1983, the hours worked and actual FTE have exceeded the budgeted FTE and also shows that the average rate per hour has declined over the past two years showing the school has considerable flexibility in rates and hours worked in this position.

The budget request for this position is \$58,436 for fiscal 1988 and \$58,214 for fiscal 1989.

The agency is requesting 3.92 FTE which is 8,216 hours at \$7.11 per hour. LFA current level funds 8,216 hours at the \$5.31 per hour rate being paid in fiscal 1987.

LFA 4

EXHIBIT



OFFICE OF PUBLIC INSTRUCTION

STATE CAPITOL
HELENA, MONTANA 59620
(406) 444-3095

Ed Argenbright
Superintendent

January 7, 1987

TO: Representative Dennis Nathe
Chairman, Education and Cultural
Resources Committee

FROM: Gail Gray
Office of Public Instruction

RE: Testimony on Funding for Board of Public Education

The Office of Public Instruction supports adequate funding for the operation of the Board of Public Education. It is the constitutional responsibility of this board to "exercise general supervision over the public school system." They do this by setting educational policy which the Superintendent of Public Instruction implements or ensures implementation. It is critical that sufficient funding be available for this entity.

VISITORS' REGISTER

Education Sub COMMITTEE

BILL NO. _____

DATE 1-7-87

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Claudette Morton, Board of Public Ed, Helena		✓	
Eric Olav	MEA	✓	
Paul Hrytko	BPE	✓	
Bruce W. Moerer	MSBA	✓	
Wendy Merrill	MSBA	✓	
Kathy Horey	MFT	✓	
Paul Jay	OP &	✓	
Yss Long	School Admin of MT	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.