

MINUTES OF THE MEETING
EDUCATION AND CULTURAL RESOURCES COMMITTEE
MONTANA STATE SENATE

February 16, 1987

The fourteenth meeting of the Senate Education and Cultural Resources Committee was called to order by the Chairman, Senator Bob Brown, at 12:30 p.m., in Room 325, State Capitol Building.

ROLL CALL: All committee members were present.

CONSIDERATION OF SENATE BILL 322: SENATOR NEUMAN, District 21, sponsor of the bill, presented the bill to the committee (Exhibit #1).

PROPOSERS:

REPRESENTATIVE GENE DONALDSON, District 43, said he is a reluctant proponent, but due to the fiscal problems we are facing, we must make some difficult choices. Heavy dependence on the coal severance tax has caused some great changes in revenue accounts. Some counties will be impacted up to 50% in their total property taxes. The property tax issue is complicated by the passage of 105 and near passage of I-27. Another area of concern is the suit against the State of Montana brought by 70 school districts regarding equalization funding. During the interim, the study committee on defining a basic education discovered a range in secondary education costs of between \$2900 and \$13,000 per student. This indicates something needs to be done. Due to decreases in property tax revenue, reluctance to tap coal trust funds, and federal windfall monies being in question, a potential shortfall of \$400 million could occur. That nearly equals the total general fund budget. All this indicates, for this session and for the next few sessions, that new and innovative things are going to have to happen in government, including the education area. Certainly Senator Neuman's bill can offer some help in this area; it offers some savings without any harm being done to the education community.

Education and
Cultural Resources
February 16, 1987
Page 2

TED HAZELBAKER, Chairman, Board of Public Education,
presented his testimony in support of the bill (Exhibit #2).

JOYCE STEEL, League of Women Voters, said they support school consolidation as a result of a two-year study the group just completed. They feel SB 322 is a comprehensive attempt to address the problems existant in school funding today. Although differing funding levels do exist and must to some degree due to geographic location, student numbers, and teacher qualifications, the League supports efforts to broaden the tax base to allow for a more equitable system for funding district costs. County wide districting would help in broadening the tax base. Local input is guaranteed and therefore local control is assured. Basic education is a benefit to and responsibility of the entire state.

SANDRA WHITNEY, Montana Taxpayers Association, said the Association has long been on record as feeling Montana has far too many school districts and therefore supports the intent of SB 322.

WENDELL G. RAFTER, JR., representing Hobson Public Schools, presented testimony in support of the bill (Exhibit #3).

DAN MORTAG, Cascade School Board member, expressed support for the bill as a means of tax relief and preserving local control.

DENNIS KRAFT, Superintendent of Schools, Missoula High School, said because of inequities in funding, increased costs and decreased revenues, every effort must be made to provide programming efficiency without a loss of educational excellence.

DR. JERRY WEAST, Superintendent of Schools, Great Falls, said he feels local control is really a myth, and equity problems are rampant in Montana as well as between states. Assuring a quality equal educational opportunity is difficult to do if you have a changing economy as we have in Montana. Concerns such as a shortfall of funding, tax initiatives, and lawsuits, dictate a change in the

status quo. We need to take a look at streamlining and reorganization and see if we can maintain the quality of education for students in another way. The best interests of the students and the state are what we must be considering first. This bill is not perfect, but the issue must not be avoided. The bill considers children, school employees, local control and the interests of the state in maintaining a quality educational system.

There being no further proponents, the Chairman called for opponents.

OPPONENTS:

Senator Brown announced that a packet of opposition letters and a listing of phone calls received by the committee prior to the hearing will be entered into the hearing record (Exhibit #4).

CHIP ERDMAN, representing Local Control, an unincorporated association organized to preserve local control of Montana school districts, presented testimony in opposition to the bill (Exhibit #5).

JOHN LARSON, Office of Public Instruction, presented his testimony in opposition to the bill (Exhibit #6).

BOB ANDERSON, Montana School Boards Association, said people around Montana do understand how tough things are and yet they do support their local schools. The bill does not protect local control and even provides for regional commissions, once established, to be deemed inappropriate by the state commission. The bill is a top down approach which assumes that the public, which supports their local schools, doesn't know what its doing. According to the Constitution, only locally elected boards of trustees have the right to control local schools which would include reorganization. Reorganization has been occurring since 1975. Eighty-one consolidations or closures have taken place during the ten year period 1975-1985. It is obvious the carrot approach is much more effective than the stick. Cooperation is what has made Montana's educational system one of the best in the nation. He urged the legislature to defeat this bill and work with the educational community to improve schools.

ERIC FEAVER, Montana Education Association, presented testimony in opposition to the bill (Exhibit #7).

ELINOR COLLINS, Montana Association of County Superintendents of Schools, testified in opposition to the bill agreeing with the previous testimonies.

The following people testified in opposition to the bill (many witnesses represented communities and presented written testimonies which are included under the same exhibit number):

OPPONENT	EXHIBIT NUMBER
Jenny Younger, Bozeman	8
Duane Denny, Richey	9
Michael Lowe, Saco	10
Richard Schaeffer, Dodson	11
Ed White, St. Regis	13
Don Cooper	14
Robert D. Barnes	15
Don Waldron, Missoula	16
Gay Matter, Hogeland	17
Linda Carlson, Custer	18
Richard Kanning, Flaxville	19
Larae Richeson, Outlook	20
Richard Hughes, Moore	21
Ken Knutson, Highwood	22
Jim Murray, Lambert	23
Wheatland County Commissioners	24
Trudi Bishop Peterson, Judith Gap	25
Doreen Heintz, Stanford	26
F. Woodside Wright	27
Richard Wilson, Dutton	28
Suzanne and Ira Hammond, Saco	29
Bernard Rosling, Joplin	30
Larry C. Biere, Stanford	31
David Konecny, Lavina	32
George Bailey, Plevna	33
Calvin Moore, Medicine Lake	34
Naomi Wearly, Augusta	35
Robert Richards, Plentywood	36
Gary Nieskens, Peerless	37
Wallace Fladager	38

OPPONENTS	EXHIBIT NUMBER
Jack Demmons, Bonner	39
Dale Sailer, Bainville	40
Una Moog, Joplin	41
James Smith, Rudyard	42
Dr. Robert McLean, Wyola	43
Jack Eggensperger, Reed Point	44
John McNeil, Savage	45
Rev. Ray Nyquist, Moore	46
Jim Larson, Custer	47
Bill Donald, Melville	48
Jim Ellison, McLeod	49
Greg Thompson, Augusta	50
Ardelle Hart, Outlook	51
Carolyn Dahl, Glasgow	52
Ted Hamann, Saco	53
Elmer Main, Hays	54
James Taylor, Reed Point	55
Robert Kormann, Augusta	56
Dwight Hopkins, Box Elder	57
Kay Norenberg, Rudyard	58
Dan Mortag, Great Falls	59
Larry Maurer, Brady	60
Eileen Barnum, Reed Point	61
Clayton and Darla Ishler, Alberton	62
Jody Habel, Dutton	63
Julie Perry, Judith Gap	64

There being no further opponents, SENATOR NEUMAN closed by thanking everyone who attended the hearing. He acknowledged the fears of those who felt their towns would die if their schools closed. He pointed out that more farms and ranches are selling out or shutting down and fewer and fewer people in rural areas are having to shoulder an ever increasing tax burden. Transportation duplication is occurring in some districts with buses crisscrossing paths with buses from competing schools in the district. Certainly, savings can be made in this area. Education is good in both small and large schools, but the cost, \$800,000,000 per year, is exorbitant. We need to work together to develop a plan to make things work for less. Although he felt he had been severely chastised for trying to develop a plan, he indicated a willingness to sit down again and try to

develop a strategy with anyone at the hearing that would maintain quality education at a lower cost. He felt the sales tax is a death knell for small schools as the property tax base will further erode. The majority of the sales tax proceeds will be generated in urban areas and those people will not support the small rural schools which have such exorbitantly high per student costs. He noted resistance to change and reorganization has nearly brought the University system to its knees. He urged the Committee not to let that happen to education. Even if the reorganization doesn't save any money, but administration and overhead monies were transferred into the classroom, the quality of education and the benefits would be significant enough to justify the action. SB 322 will move Montana's education system into the 20th century and allow it to meet the challenges of the future.

ADJOURNMENT:

There being no further business to come before the committee, the meeting was adjourned.



SENATOR BOB BROWN, CHAIRMAN

jdr

EXHIBITS:

Due to the excessively large number of exhibits, the complete set of original minutes can be found at the Historical Society. Copies of the minutes in the Law Library and Legislative Council do not contain the exhibits.