

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

#### SUBCOMMITTEE ON EDUCATION

Call to Order: By Rep. Ray Peck, on January 13, 1989, at  
8:00 a.m.

#### ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Keith Wolcott, Senior Fiscal Analyst  
Sandy Whitney, Associate Fiscal Analyst  
Joe Williams, Budget Analyst, OBPP  
Claudia Johnson, Committee Secretary

Announcements/Discussion: None

#### HEARING ON OFFICE OF PUBLIC INSTRUCTION

Tape No. J/1:000

#### List of Testifying Proponents and What Group They Represent:

Nancy Keenan, Supt. of Public Schools, OPI  
Alan Nicholson, Board of Public Education, OPI  
Jack Copps, Deputy Supt. of Schools, OPI  
Eric Feaver, Mt. Education Assoc.  
Terry Minow, Mt. Federation of Teachers  
Jan Leppien, Dist. Coordinator, Lockwood Public School Dist.  
Robert Runkel, Dir. of Special Education, OPI

#### Presentation and Opening Statement:

Nancy Keenan, Superintendent of Public Schools, introduced Alan Nicholson and stated after Alan's presentation she would return to schedule with appropriations.

Alan Nicholson, Board of Public Education, stated OPI is so underfunded that it was difficult to know which area to begin with. The business community is represented by the Montana Ambassadors and will present a set of priorities that they have determined lead the list with

respect to improving the business climate in Montana. There are fifty recommendations with eight or nine primary recommendations. Among those eight or nine, listed second on the list is increased funding for education. The business community voted in majority to increase the funding. Rep. Pat Williams took a poll with the majority of the people in the state of Montana supporting increased spending on public education. Public Education costs \$600,000,000 a year and OPI needs to be more accountable. At present there is no common base of data and OPI needs the resources to do the job correctly. He urged support for OPI funding so this can be done right for the first time.

(070)

Jack Copps, Deputy Superintendent of Schools, provided information regarding testing/assessment. In June of 1988, the Board of Public Education adopted a rule requiring each school district in the state provide for student assessment and that all schools in the state would use one of four different tests and the requirement included added responsibilities to OPI which are: 1) ARM Regulation, AR1056-101, requires OPI assist all schools as they annually administer the exams in language arts, math and science given to grades three, eight and eleven. OPI is then required to collect this data, equate it and provide a state wide summary of the results to the State Board of Public Education as well as to the legislature to compare with the national results. (102) OPI also has a responsibility to extend services beyond what might be required in administering Norm Reference Tests at the local level. ARM Regulation states that OPI has a responsibility to provide expertise to local districts as they will begin to develop appropriate, local school level and classroom assessment tools to measure the attainment of local educational goals and objectives and the level of individual achievement. For the Subcommittee's purposes, he felt it was important to know that given the existing staff they do not have a person with the expertise to serve the Montana educational community in regards to those responsibilities. 2) There is a \$50,000 modification request for the budget to provide the office the opportunity to provide the services. That request was rejected by the Budget Office. 3) Superintendent Keenan suggested to the Subcommittee to reinstate those FTE positions that have been eliminated by the full Appropriations Committee and she would withdraw the \$50,000 modification request. Discussion followed.

(225)

Nancy Keenan introduced Ms. Gail Gray who will address the travel modifications.

Gail Gray stated the travel amount recommended for OPI was substantially less than the previous administration. The office travel budget does not support agency staff alone, but also includes essential out-of-office individuals who serve on advisory boards and Ad-Voc committees. Regarding accreditation, OPI calls in this group of ten to twelve people each year and they spend two and one half days on reviewing each individual school situation and making a recommendation to the State Superintendent who then in turn makes a recommendation for accreditation status to the Board of Public Education who has the final approval. She continued her presentation by explaining the travel needs of staff. Discussion followed.

Tape J/2:000

Rep. Peck asked for public comment.

Eric Feaver, Montana Education Association rose in support of the budget as was presented to the Subcommittee by the Superintendent of Public Instruction and staff.

Terry Minow, Montana Federation of Teachers, rose in support of the budget as was presented to the Subcommittee by the Superintendent of Public Instruction and staff.

Jan Leppien, District Coordinator for the Lockwood Public School District in Gifted and Talented Education and also President Elect of the Montana Association of Gifted and Talented Education rose in support of the budget as was presented to the Subcommittee by the Superintendent of Public Instruction and staff. A lengthy discussion followed regarding gifted and talented children programs.

HEARING ON OFFICE OF PUBLIC INSTRUCTION DISTRICT

Tape No. J/2:380

Presentation and Opening Statement: Nancy Keenan, Superintendent of Public Schools, proceeded with the distribution to the school areas beginning with the Special Education budget including the modified budget and introduced Bob Runkel who directs the Special Education area in the office and Mike Chapman who was responsible for the graphs she had been using during the presentations.

Robert Runkel, Director of Special Education for the Office of Public Education stated his presentation would provide an overview of Special Education by describing the students who receive benefit from the program, the personnel providing the services to the students, the budgeting process, the funding available to meet the needs of those students and the need for significant budget modifications for Special Education. See Exhibit #1.

Tape K/1:000

Rep. Peck asked Mr. Runkel what would be the figure for in-state and out-of-state private school funds? Mr. Runkel replied if he were looking for a total amount of funds provided in private schools in-state and out-of-state they have about \$350,000 in in-state private schools education cost. The out-of-state was around \$250,000 to \$300,000. Rep. Peck asked for the total of the highest bill of one case out of state where other state agencies were involved? Ms. Gray stated she could answer, and said they have a placement in Brownsville, Tx., that exceeds \$100,000 for one child per year, but there were not very many of them in that type of a situation.

Rep. Nathe questioned the \$242,000 tuition for private schools? Mr. Runkel answered it represents all instate schools and primarily goes to the Yellowstone Treatment Center formally known as the Yellowstone Boys and Girls Ranch for their secondary program for high school.

Rep. Nathe wanted to know what percentage of the boys and girls of Yellowstone Treatment Center qualify for special education funds? Mr. Runkel replied almost all of them are being served.

Tape K/1:57

Ms. Gray clarified that elementary students are covered under the regular special education funding and are supplemented with regular tuition because it is a public school district. The high school is not a public school district therefore they do not receive special education funds through the special education appropriation of \$27,000,000. Public schools e.g., Redstone would come to OPI for money and it would be given to them for out of district placement.

Rep. Peck wanted to know what is the legal authority for paying tuition out of general funds? Ms. Gray replied that they have the authority, but the tuition is taken out of the tuition fund for the local district.

Mr. Runkel commented the state operated programs have the option to use Special Education Funding or Chapter 1 funds, they cannot use both.

Sen. Nathe asked Mr. Runkel if they could get more money if they used Chapter 1 funding? Mr. Runkel stated that was correct, rather than using the Special Education Funds.

List of Testifying Proponents and What Group They Represent:

Bill Hickey, School Adman., Anaconda, MT.  
Pat Boyer, Adman. Livingston Special Education  
Fred Ackleman, Missoula Area Special Cooperative  
Kelly Evans, Director of the SW Mt. Education Cooperative  
Jess Long, Mt. Education Assoc.  
Cris Volinkaty, Lobbyist for Developmentally Disabled  
Bill Jimmerson, Teacher at Conrad High School  
Linda Cotton, Teacher

Presentation and Opening Statement:

(150)

Bill Hickey, school administrator in Anaconda, Montana, testifying on behalf of Anaconda Public School District No. 10 rose in support of OPI District Special Education Funding as was presented to the Subcommittee by the Office of Public Instruction and staff. See Exhibit #2.

Pat Boyer, Administrator, Livingston Special Education and also representing Park County Special Education, M.C.A.S.E., C.E.C., M.A.S.P., M.S.H.A., Montana Council of Administration of Special Education, Montana Council for Exception Children, Montana Association of School Psychology and Montana Speech and Hearing Association rose in support of OPI District Special Education funding as was presented to the Subcommittee by the Office of Public Instruction and staff. Ms. Boyer read written testimony from Alicia Pichette who represented Parents, Let's Unit for Kids, a statewide organization serving over 1,00 families of children with disabilities. The letter was in support of OPI District Special Education funding. See Exhibit #3.

Fred Ackleman, Missoula Area Special Cooperative, rose in support of OPI District Special Education funding as presented to the Subcommittee by the Office of Public Instruction and staff. See Exhibit #4.

Kelly Evans, Director of the Southwestern Montana Education Cooperative, rose in support of OPI District Special Education funding as was presented to the Subcommittee

by the Office of Public Instruction and staff. See Exhibit #5.

Jess Long, representing Montana Education Association, and M.B.A. rose in support of OPI District Special Education funding as was presented to the Subcommittee by the Office of Public Instruction and staff.

Cris Volinkaty, Lobbyist for the Developmentally Disabled, rose in support of OPI District Special Education funding as was presented to the Subcommittee by the Office of Public Instruction and staff. See Exhibit #6.

(213)

Rep. Peck stated the Subcommittee would depart from normal schedule to allow public testimony from any person who had traveled and would not be able to stay for the hearing on Vo-Education which would be heard on Monday.

Bill Jimmerson, teacher at Conrad High School and representing the Montana Vocational Association rose in support of the Vo-Educational funding. See Exhibit #7.

Linda Cotton handed in written testimony for the support of Vo-Educational funding. See Exhibit #8.

There being no further business the Subcommittee was adjourned.

ADJOURNMENT

Adjournment At: 10:45 a.m.

  
\_\_\_\_\_  
REP. Ray Peck, Chairman

RP/cj

1121.min

# DAILY ROLL CALL

## EDUCATION

SUBCOMMITTEE

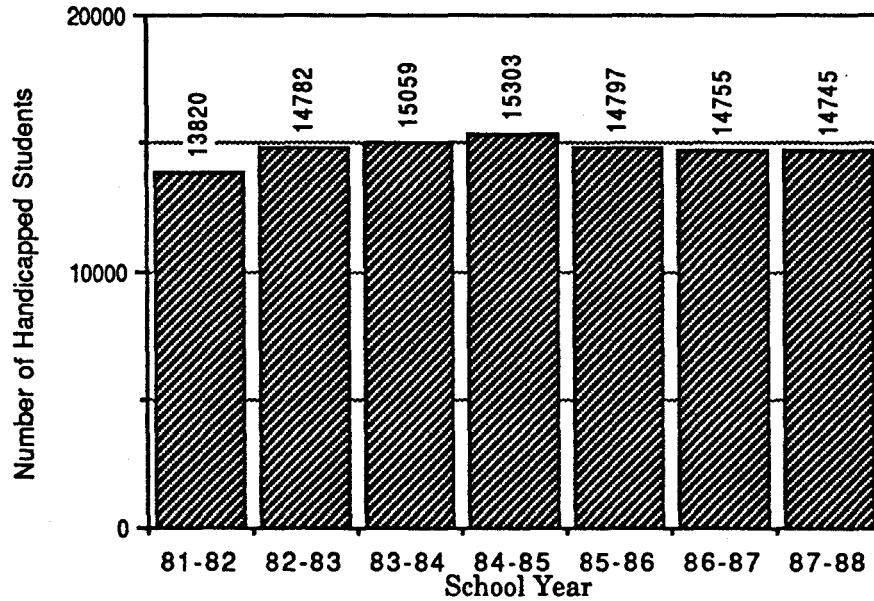
DATE Jan 13, 1989

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# THE STUDENTS

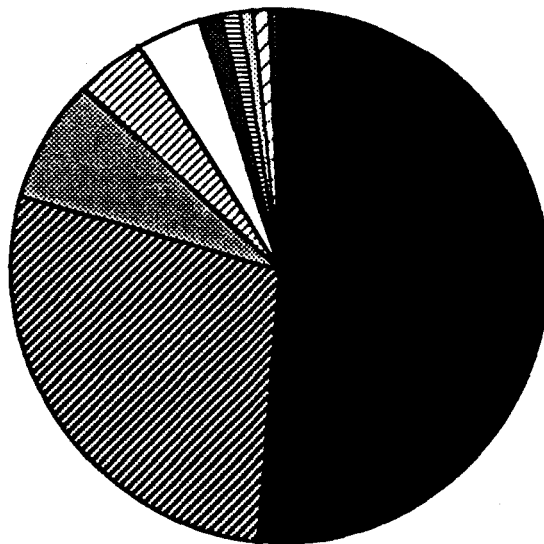
EXHIBIT #1  
DATE 1-13-89  
HB

**Handicapped Students in Montana  
Receiving Special Education Services  
1981-1988, Ages 3-21**



1A

**Percentages of Handicapping Conditions  
Among Special Education Students  
School Year 1988-89**



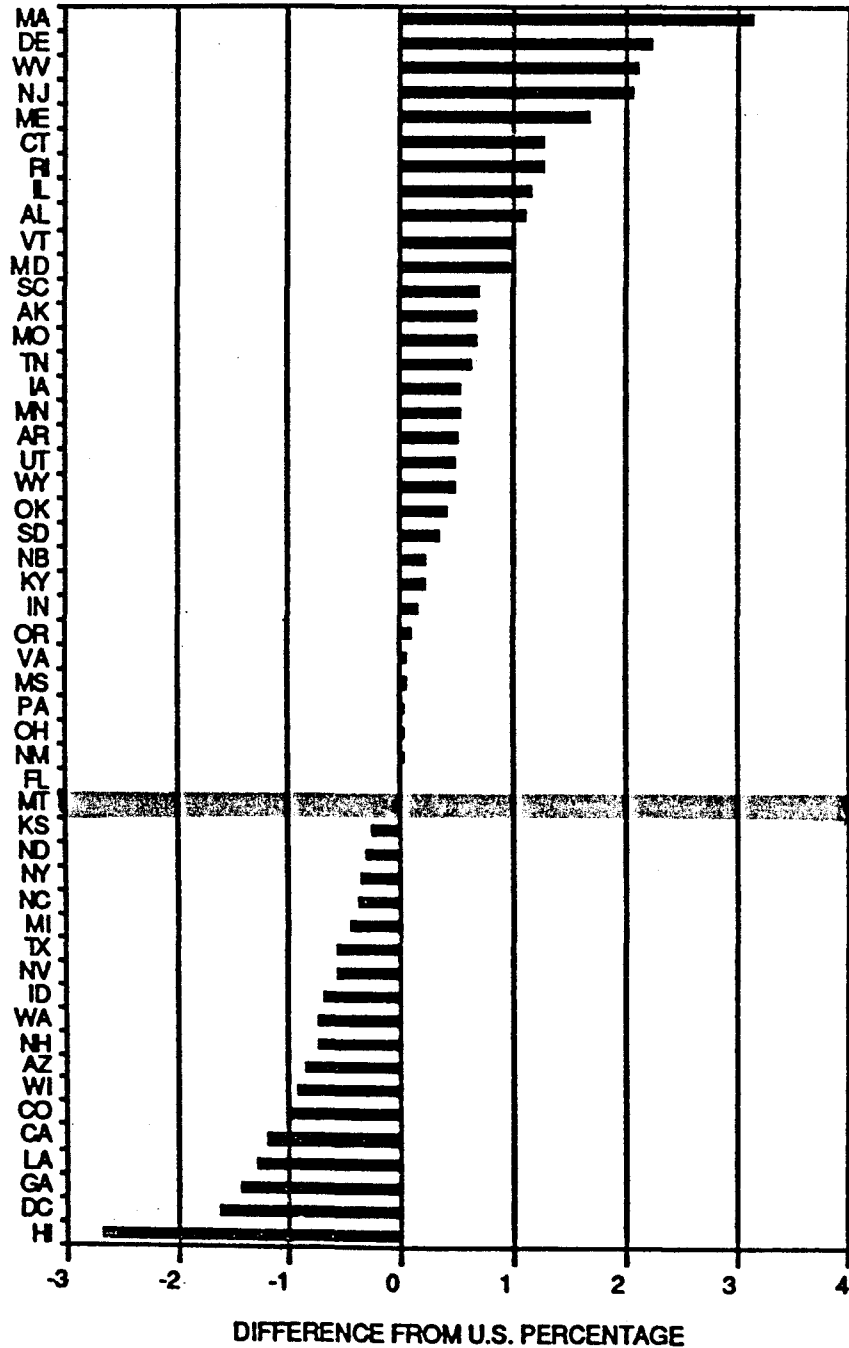
	Child Count	% Total
LD	7,591	51.3
SI	4,167	28.2
MR	1,147	7.8
ED	611	4.1
NC	560	3.8
MH	223	1.5
OHI	160	1.1
OI	138	0.9
HH	108	0.7
VI	46	0.3
D	24	0.2
DB	9	0.1

1B



STATE-TO-STATE DIFFERENCE OF CHILDREN SERVED  
UNDER THE EDUCATION OF THE HANDICAPPED ACT  
AND ECIA STATE OPERATED PROGRAMS FOR THE  
HANDICAPPED

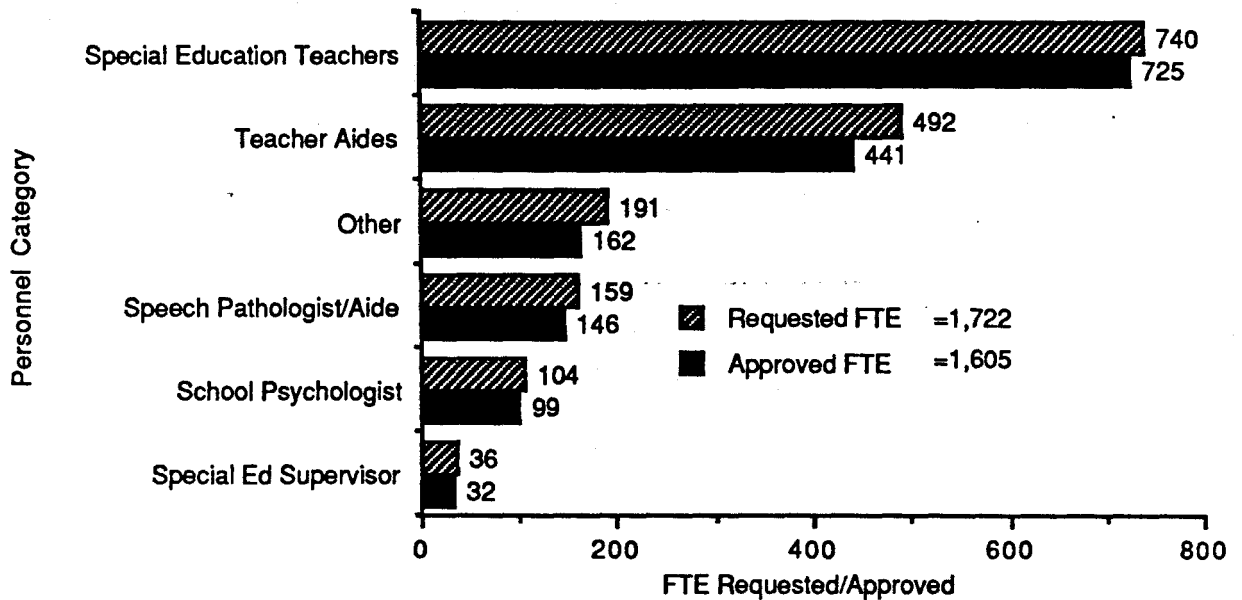
STATE



NOTE: Number graphed for each state is the percentage of children served in the state minus the percentage for the U.S. (6.47). Percent of children is based on population counts for July 1986 compiled by the U.S. Bureau of the Census.

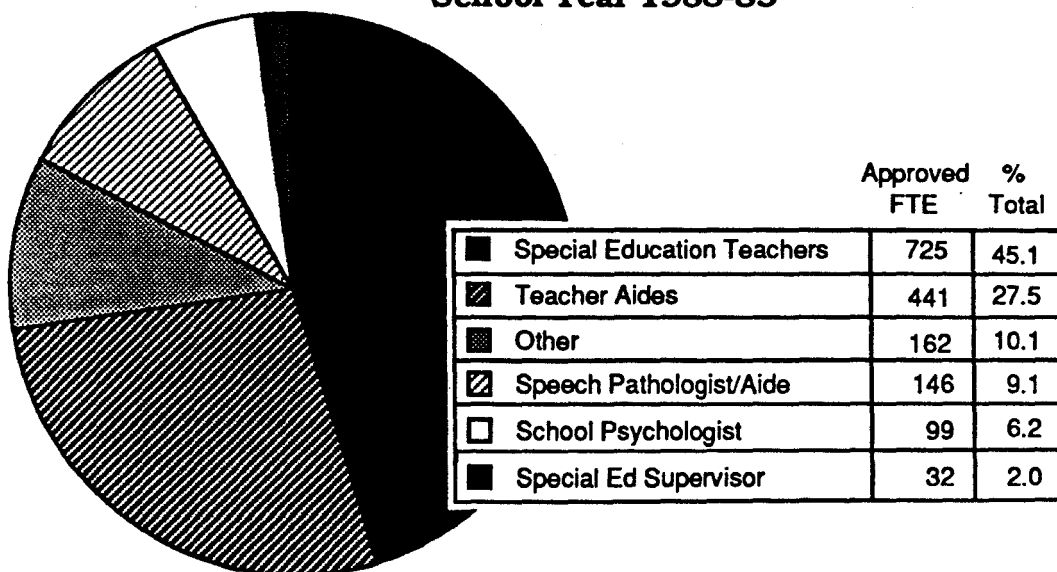
# THE PERSONNEL

## Special Education Personnel FTE Requested and Approved School Year 1988-89



2A

## Special Education Final Approved FTE School Year 1988-89

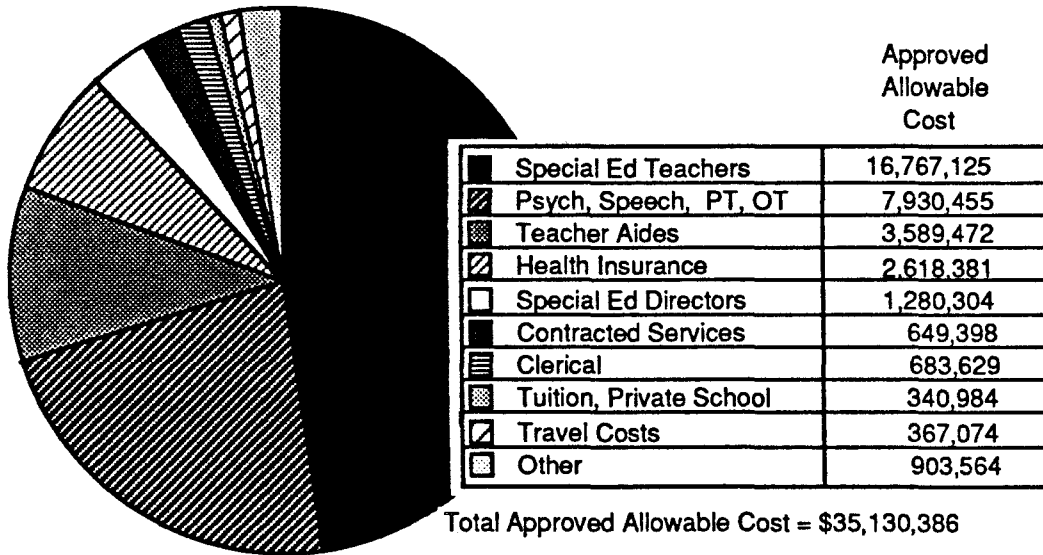


Source: Office of Public Instruction

2B

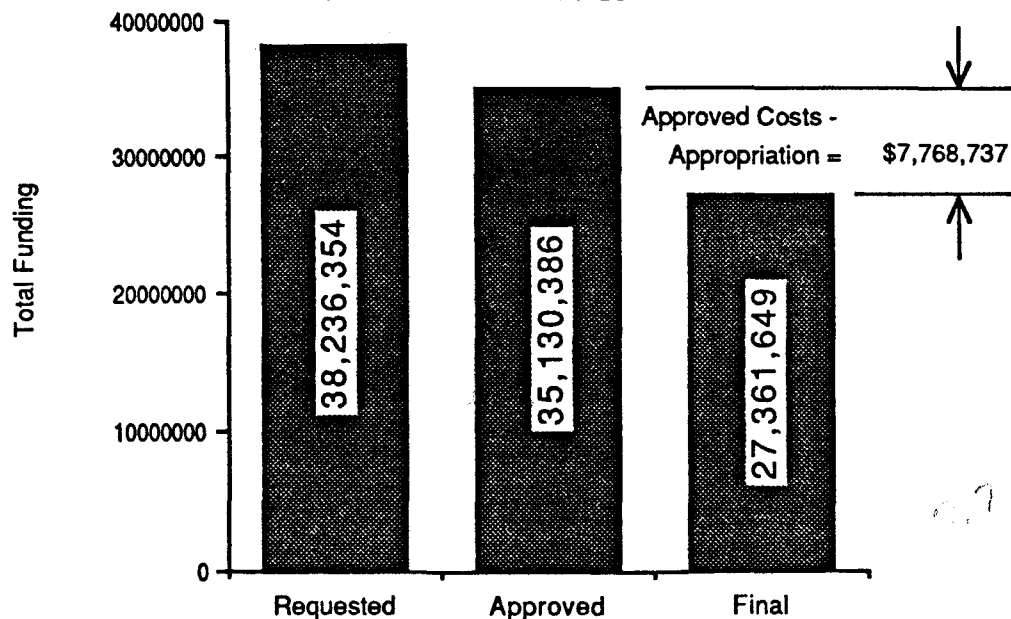
# THE BUDGET

## Special Education Approved Allowable Costs School Year 1988-89



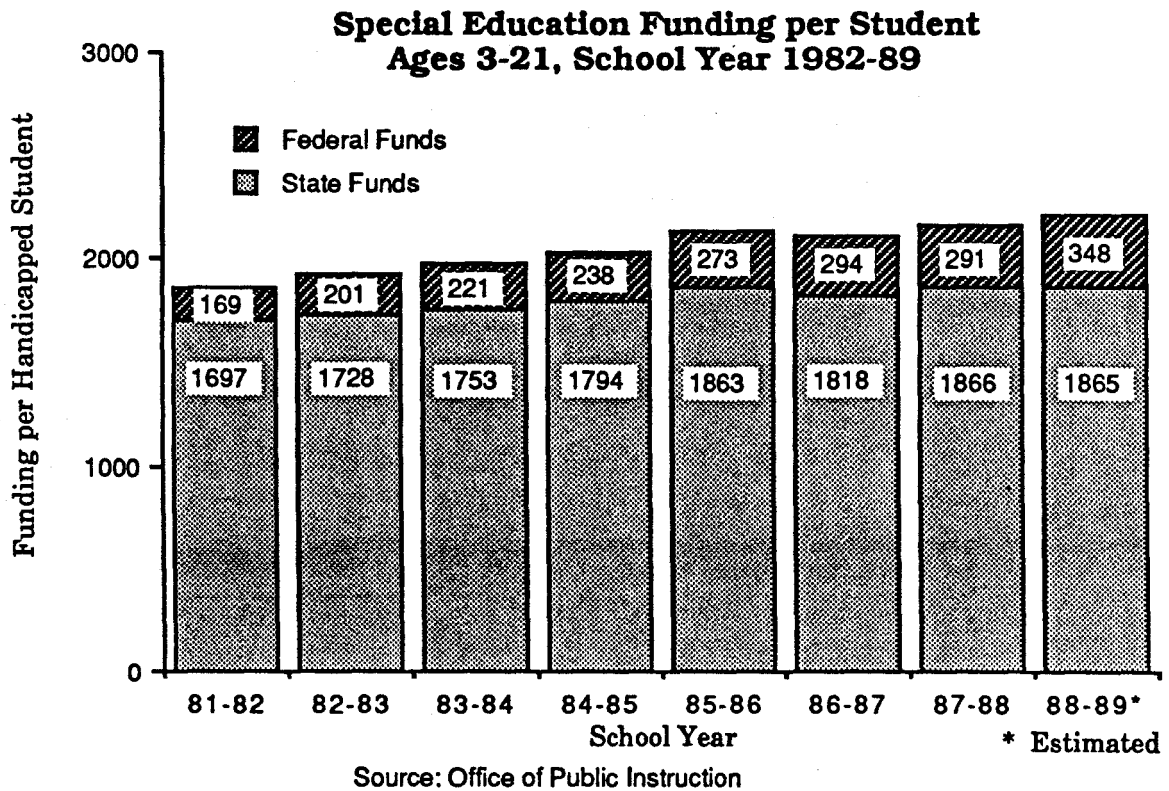
Source: Office of Public Instruction

## Special Education Funding District Totals Requested, Staff Approved, and Final School Year 1988-89

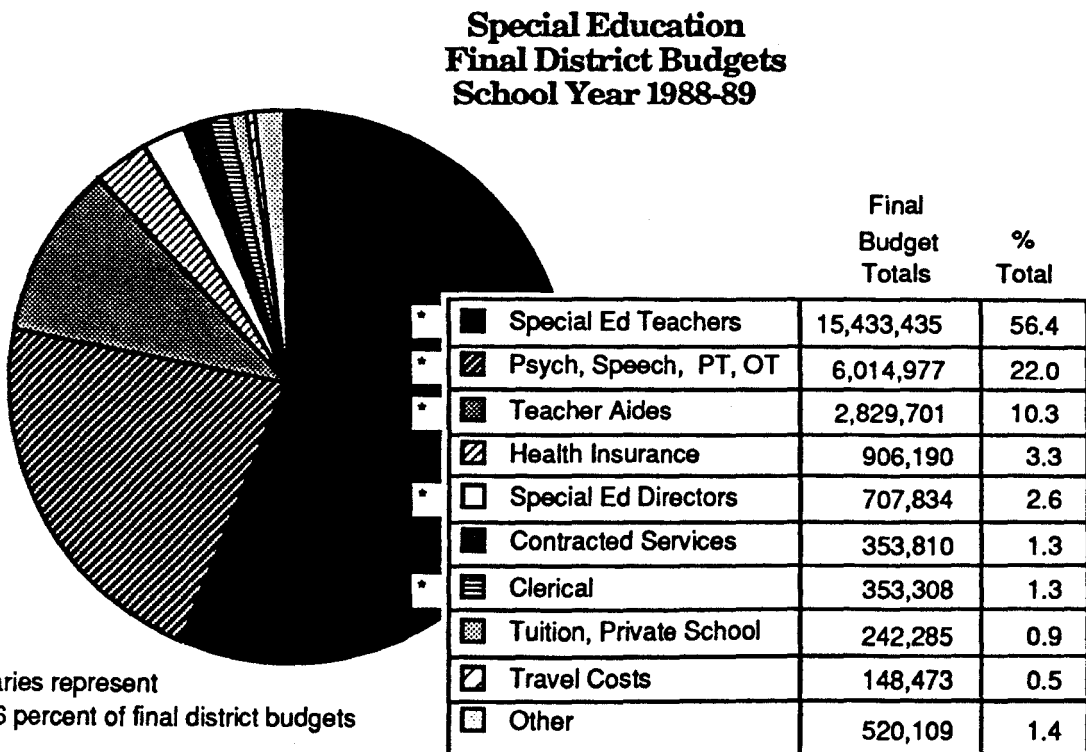


Source: Office of Public Instruction

# THE FUNDING



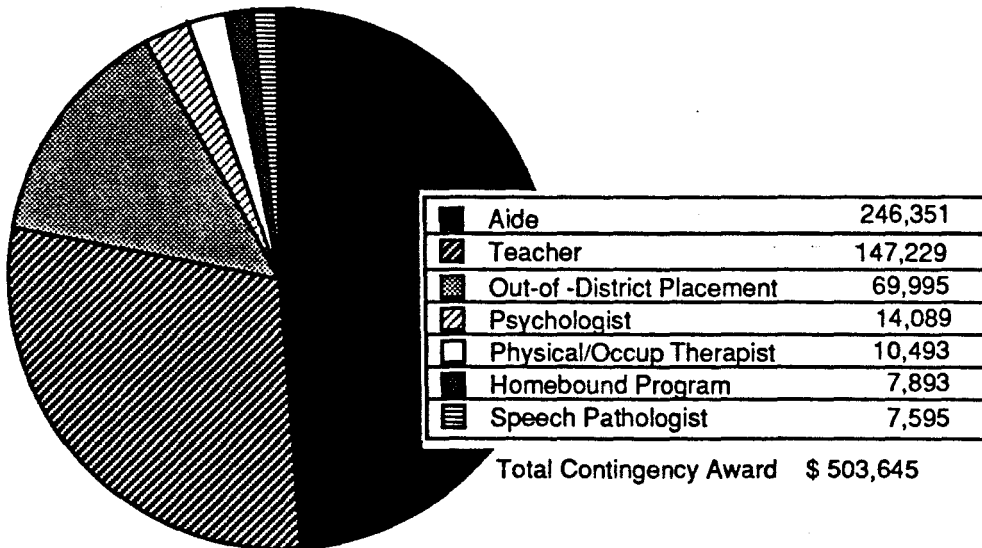
3A



3B

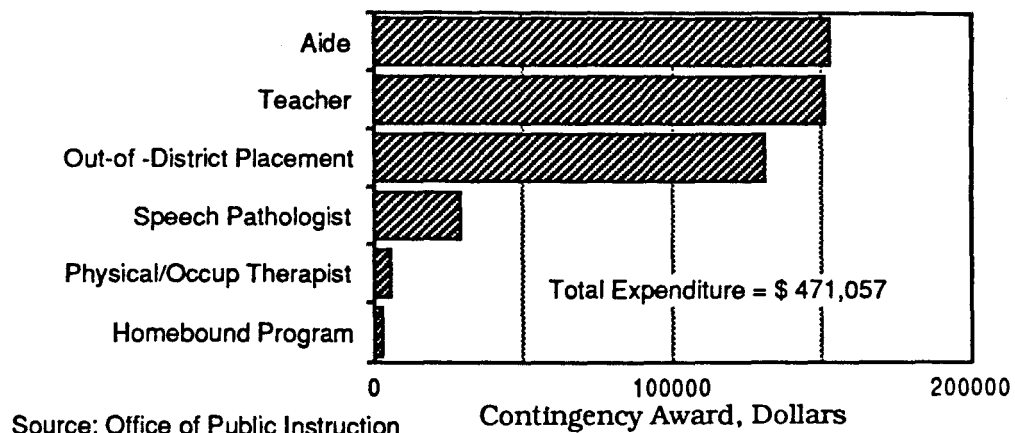
# CONTINGENCY

## Special Education Contingency Awards School Year 1987-88



Source: Office of Public Instruction

## Special Education Contingency Awards School Year 1988-89



Source: Office of Public Instruction

MONTANA OFFICE OF PUBLIC INSTRUCTION - DEPARTMENT OF EDUCATIONAL SERVICES  
STATEWIDE SUMMARY OF HANDICAPPED STUDENTS  
BY AGE - DOMINANT HANDICAP  
(Count Taken - 12/01/87)

AGE	HH	D	MR	OH	OI	SI	VI	LD	ED	NC	DB	MH	TOTAL
1	1					4		1	1	1			8
2			1			13				17			31
3	4	2	2		3	70		1		129		4	215
4	4	2	7		3	112	1	4		187		4	324
5	6		18	4	10	574	3	26	1	226	1	12	881
6	7		74	5	14	844	7	208	11		1	12	1183
7	15	2	87	7	16	864	4	466	25		2	28	1516
8	12	4	75	13	12	692	1	696	35		1	18	1559
9	9	3	88	7	7	400	7	687	26			16	1250
10	5	4	84	11	12	206	8	736	46		1	16	1129
11	7	3	66	11	11	161	2	715	54		1	14	1045
12	5		92	19	12	79	1	680	57			16	961
13	6	1	89	19	12	35		683	76			8	929
14	10	1	82	18	5	35	1	622	82			9	865
15	6		83	15	8	29	1	645	67			22	876
16	6		86	21	9	27	4	596	65			12	826
17	2	1	92	7	3	11	4	476	43			12	651
18	2		66	3	1	5	2	282	18			10	389
19		1	29			3		62	4			5	104
20	1		17			2		5				5	30
21			9			1					2		12
TOTAL	108	24	1147	160	138	4167	46	7591	611	560	9	223	14784

SCHOOL AGE (5-21)

12/1/87:	99	20	1137	160	132	3968	45	7585	610	226	9	215	14206
12/1/86:	126	17	1130	157	111	4068	56	7513	616	176	15	247	14232
NET CHANGE:	-27	3	7	3	21	-100	-11	72	-6	50	-6	-32	-26
% CHANGE:	-21.4	17.6	.6	1.9	18.9	-2.5	-19.6	1.0	-1.0	28.4	-40.0	-13.0	-.18
% TOTAL MT ENROLLMENT 10/1/87:	152,207												
% NATIONAL:	.07	.01	.75	.11	.09	2.61	.03	4.98	.40	.15	.01	.14	9.33
% OF SPECIAL ED:	*.12		1.6	.16	.12	2.85	.05	4.67	.85	0	0	.14	10.56
	.70	.14	8.00	1.13	.93	27.93	.32	53.39	4.29	**1.59	.06	1.51	100.00

\* TOTAL HARD OF HEARING AND DEAF

\*\*AGE 5 ONLY

HH - Hard of Hearing	OI - Orthopedically Impaired	ED - Emotionally Disturbed
D - Deaf	SI - Speech Impaired	NC - Noncategorical Handicap
MR - Mentally Retarded	VI - Visually Impaired	(Age 5 and Below Only)
OH - Other Health Impaired	LD - Learning Disabled	DB - Deaf Blind
		MH - Multihandicapped

# Anaconda Public Schools

EXHIBIT #2  
DATE 1-13-89  
HB

MARY JO ORESKOVICH  
SUPERINTENDENT  
P.O. Box 1281  
Anaconda, Montana 59711  
Telephone 563-6361

BUSINESS OFFICE  
Business Manager/Clerk  
J.E. Corrigan  
563-8277  
SPECIAL SERVICES  
Executive Director  
Dr. William F. Hickey  
563-5101

ANACONDA HIGH SCHOOL  
Principal, E.J. Carosone  
563-5269  
JUNIOR HIGH SCHOOL  
Principal, John Stergar  
563-6242  
LINCOLN SCHOOL  
Principal, Stella Currie  
563-6141  
W.K. DWYER PRIMARY  
Principal, Ed Spiegle  
563-7365  
W.K. DWYER INTERMEDIATE  
Principal, Ed Spiegle  
563-5562

January 13, 1989

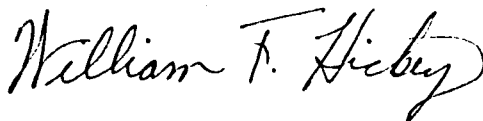
## TESTIMONY REGARDING SPECIAL EDUCATION FUNDING

My name is Bill Hickey. I am a school administrator in Anaconda, Montana and I am testifying on behalf of Anaconda Public School District No. 10

Over the last ten years, there has been continuous reduction of state funds for mandated programs in special education. This reduced state funding has resulted in a fierce competition between regular and special education programs for the same local education dollar. Strong state and federal mandates for special education require full, comprehensive and appropriate service for all handicapped children. In Montana, the trend over the last eight (8) years has been to appropriate less money and increase the reliance on local voted levies to run mandated public school programs.

The funding crisis is further exacerbated by Initiative 105 which has restricted school districts ability to raise new revenues to cover increased school costs. The Anaconda Public Schools, like all other public schools in Montana, have received less special education money each year since 1984 and have exhausted all sources of district monies. Over the last two (2) years, essential programs for the handicapped have been terminated and special classrooms are overcrowded. As a district experiences more problems, more complications ensue. A further penalty is looming from the potential inability of the district to maintain its fiscal effort and therefore lose federal funding for the handicapped.

The 1990-91 school year mandates full and appropriate special education services to preschool handicapped. In order to extend our services to this population, essential services for school age handicapped are going to have to be cut. The only answer that we have other than repealing public school special education, is to increase funding levels. A special education funding increase of 7.7 million dollars per year, for each year of the biennium would not fully fund special education, but it would return the state contribution to a level that would allow reasonable, but not excessive funding for the handicapped in Montana's public schools. It is imperative that this legislative body more adequately fund special education and thereby reduce the competition between regular and special children.

A handwritten signature in cursive script, reading "William F. Hickey". The signature is written in dark ink and is positioned above the printed name and title.

William F. Hickey, Ed.D.  
Executive Director  
Anaconda Public Schools



EXHIBIT 4-3

DATE 1-13-89

HB

TESTIMONY BEFORE APPROPRIATIONS SUBCOMMITTEE

Representative Peck and members of the Subcommittee, my name is Alicia Pichette and I am here today representing Parents, Let's Unite for Kids, a statewide organization serving over 1,500 families of children with disabilities. We appreciate having the opportunity to speak to you about special education funding because we think special education is at a crisis point.

As you know, special education services were originally fully funded by the state, but gradually more and more special education costs have become a local responsibility. Two legislative decisions have particularly impacted special education: the elimination of state funding for indirect costs and the exclusion of children in self-contained classes from the ANB count. In addition, special education has not received the level of increases in funding that regular education has received. Now, with I 105 in place, special education and regular education are in active competition for the limited dollars available.

As parents, we have seen the services for our children becoming more and more limited. We also see the competition between special and regular education as divisive and in some cases acrimonious. We feel strongly that full state funding of special education is a necessity. During this session, as you are addressing equity in school funding, special education is an area you cannot ignore. The education of roughly 10% of Montana's children is directly affected by the adequacy of special education funding. If special education continues to be underfunded, all Montana's children will be impacted because we stand to lose federal funding and are at risk for lawsuits that can be very expensive for school districts as a whole. There seems to be broad consensus among parents, educators, and administrators that special education once again become a state responsibility and that it be fully funded. As a society, we have chosen to provide appropriate education for our children with special educational needs. We must accept the fiscal responsibility to do the job effectively.

EXHIBIT #4  
DATE 1-13-89

215 South Sixth West

Missoula, Montana 59801

Telephone 406-728-4000

HB

June 14, 1988

Mr. Bob Runkle  
Special Education Director  
Office of Public Instruction  
State Capitol  
Helena, MT 59620

RECEIVED  
JUN 15 1988  
SUPERINTENDENT  
OF PUBLIC INSTRUCTION

Dear Bob:

I noted by the June 10, 1988 Great Falls Tribune that you will make a report to the Board of Public Education this week regarding special education funding. I was interested in the "growth in revenues" from various sources, but also noted that data was not available from local districts. In that regard the information which follows will give you at least what has happened in School District #1. I would also suspect that District #1 may be fairly representative of what large districts are presently contributing for the conduct of special education programs.

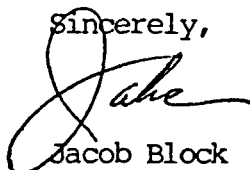
<u>Budget</u>	<u>Date</u>	<u>Count</u>	<u>Self-Cont.</u>	<u>State</u>	<u>Federal</u>	<u>District</u>
1978-79	12/1/78	443	93	\$1,228,465	\$ 70,990	0
1979-80	12/1/79	462	96	970,068	74,123	0
1980-81	12/1/80	507	106	895,801	86,269	0
1981-82	12/1/81	544	125	934,686	91,564	0
1982-83	12/1/82	549	134	998,821	99,314	0
1983-84	12/1/83	579	140	1,027,870	120,092	\$ 19,725
1984-85	12/1/84	555	147	1,064,086	119,866	122,673
1985-86	12/1/85	538	119	1,101,262	124,783	129,875
1986-87	12/1/86	551	119	1,051,324	134,453	201,796
1987-88	12/1/87	575	110	1,056,586	128,494	207,583
1988-89	12/1/88	DK	DK	1,057,194	152,742	252,822

I note with interest that the State funds have increased 18% from the period 1981-82 to 1988-89. Since District #1 does not have a valid comparison from those years, I would refer you to a comparison from 1983-84 to 1987-88. The district contribution has increased from \$19,725 to

\$252,822 which is an increase of \$233,097 or 1182%. You will also note that during the same period the student count was actually 4 students greater than we project for 1988-89 although we do acknowledge that the self contained population has decreased by 30 largely as a result of a greater degree of least restrictive alternative placements. I certainly concur that "Special education is losing ground in the battle for funding". Moreover, the continued presence of the effects of I-105 forces some options as it may relate to special and regular education. Unless the I-105 issue is addressed immediately it could have some severe and negative consequences for districts throughout the state.

I appreciate your leadership in creating a greater degree of awareness as it might pertain to the needs of special students and the responsibility we have as a state to assure that the funding and programs are available to serve these students. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jacob Block', written over the typed name.

Jacob Block  
Superintendent

cc: Claudette Morton  
Jack Rudio

Written Testimony

by  
Kelly Evans, Director  
of the  
Southwestern Montana Educational Cooperative

SPECIAL EDUCATION FUNDING  
1/13/89

The attached paper discusses the decline of special education funding over the past several years and draws a clear picture of the need for full funding of special education allowable costs.

The underfunding of nearly 7.8 million dollars per year has had a profound impact on the state's ability to provide for the needs of their handicapped children. For those of us in the field the funding shortfall translates into much more than numbers on a budget sheet. What we see is:

- Decreases in service or no service at all due to personnel cutbacks and expanded demands on time.
- Little if any money to buy specialized materials and diagnostic instruments.
- Declining staff morale and productivity due to low salaries and inability to perform duties to professional expectations.
- Resultant staff turnover.
- Difficulty in ability to attract new applicants for vacant positions. An increasing number of positions go unfilled year after year.
- Growing opportunity for lawsuits due to lack of appropriate services.
- Increased burden on local districts to try to pick up the tab for underfunding.

In the Southwestern Montana Educational Cooperative the approved, final special education budgets for members schools were over \$175,000 less than the approved allowable costs. Funding of that amount of money would help us take the first step toward more competitive teacher's salaries, allow for purchases of needed materials and supplies and provide adequate coverage of needed services for our handicapped. Under the present funding level, this possibility is only a dream.

## SPECIAL EDUCATION FUNDING CRISIS AFFECTS ALL SCHOOL CHILDREN

Reduced state funding for elementary and secondary handicapped programs has resulted in escalated competition between regular and special education programs for the same local education dollar. Heavy district reliance on local voted levies to run school programs created disparities in services between tax rich and tax poor school districts. Thus, increased reliance on local funding for special education services has widened the gap of educational opportunity for both handicapped and non-handicapped students. Legislative and initiative action has limited the ability of school districts to increase taxes to support additional demands. School districts are clearly in a funding crisis and need relief.

The funding crisis has been many years in the making. In 1974, the Montana Legislature adopted a committee recommendation of 100% funding of a full special education allowable cost formula beginning in the 1974-75 school year. From that point through 1978-79, no local district dollars were needed to begin or maintain special education programs in Montana schools. However, in 1979 the legislature reduced the allowable cost formula by approximately 20% when the indirect cost factors were eliminated as allowable costs. Special education students were not counted for ANB, but there was an ANB type of reimbursement for the district which was also lost at this time. Since that time, full-time special education students have not gathered any form of ANB compensation. In 1979-80, the state allocation for special education was \$4,490,278 less than the previous year. This money had to be made up by local sources. Literally, this translated into a loss of foundation monies for regular education programs and started an escalating competition between regular education and special education for the same local district dollars.

In 1980-81 a capstone was placed on special education funding. School districts were then postured to lose more special education dollars each year which would have to be made up from local taxes. This trend has continued in recent years and legislative appropriations for special education has not kept pace with the cost of providing special education services. A recent study done by the Decision Resource Corporation of Washington, D.C. showed that in 1985-86 the average national expenditure for special education was \$3,649 while Montana showed an expenditure of \$2,118 per handicapped child from state and federal sources.

Assuming that Montana's service would be close to the national average rather than an extreme, one could extrapolate that \$1,531 of local resource money would be needed per handicapped child to have an average service. The 1988-89 budget allocations reflect the continued underfunding of special education. For the 1988-89 school year, the reduced allowable costs for special education was for \$35,130,386. The legislative appropriation was for \$27,361,646. Thus, a shortfall of \$7,768,740 had to be picked up by local tax dollars.

Some examples of local expenditures for special education would be as follows:

Missoula District #1

1981-82	\$ -0-
1984-85	\$122,673
1988-89	\$252,822

Great Falls Public Schools

1981-82	\$123,342
1984-85	\$577,203
1988-89	\$954,171

Billings Public Schools

1981-82	\$294,651
1984-85	\$783,822
1988-89	\$1,209,519

Lewistown School District

1981-82	\$ -0-
1984-85	\$ -0-
1988-89	\$26,293

Lewistown Co-op

1981-82	\$ -0-
1984-85	\$ -0-
1988-89	\$23,950

Exacerbating the situation further, Initiative 105 has restricted a school district's ability to raise new revenues to cover increased school costs. A further complication of the special education funding crisis of fewer state and local dollars to support special education, may result in a district's inability to maintain fiscal effort and therefore lose federal special education dollars. Under the concept of maintenance of fiscal effort, a district must spend at least the same amount of state and local dollars from year to year. A decrease in spending results in non-maintenance of effort and subsequent loss of federal funding. For fiscal year 1988-89, \$4,655,540 under EHA-B Flowthrough and \$473,520 of Preschool Incentive Grant monies were at risk under the maintenance of effort problem.

It must be emphasized that Montana School Districts do not have padded or elevated allowable cost budgets as the 1988-89 budgets were based on the 1987-88 salaries and benefits. Textbook and supply allocations were capped in an unrealistically low range of \$15 to \$20 per student. School Districts requested \$1,721 FTE with only \$1,604 approved as allowable costs. The actual number of staff hired may even be less as several districts have not been able to make up the ever increasing amount of local dollars needed to maintain programs. Teacher salaries in Montana are significantly lower than the national average and there is a difficulty in recruiting and retaining highly trained special education personnel. The average U.S. yearly gain in teacher salaries in the last ten years is almost ten times higher than it is for teacher salaries in Montana. The U.S. annual average increase has been 7.18% while Montana has been increasing at only .77%.

The special education funding crisis is emphasized by the preceding data. Cuts in special education funding have really been cut in the dollars available for all students. Decreases in special education funding must be stopped now and a more realistic and adequate funding level needs to follow. The Office of Public Instruction, with the support of the Montana School Boards Association (MSBA) and School Administrators of Montana (SAM) have supported full state funding of the current special education allowable costs. It must be understood that full funding of the current allowable costs does not reflect the actual costs of special education as approximately 20% was lost in the indirect costs of special education such as heat, light, physical plant and the like were lost in 1979. The Office of Public Instruction recommends a 7.7 million dollar increase in special education funding for each year of the ensuing biennium to fund the reduced allowable costs in an adequate fashion. The Council of Administrators of Special Education (CASE), Council for Exceptional Children, Montana Association of School Psychologists, Montana Speech and Hearing Association and parent groups must all unite in order to gain the needed support to better fund special education and reduce competition between handicapped and non-handicapped children for the same shrinking local dollar. It is imperative to support more adequate funding of Special Education Allowable Costs.

## WITNESS STATEMENT

EXHIBIT #6  
DATE 1-13-89  
HB                     

NAME Cristin S. Volinkaty BILL NO.             
ADDRESS 485 Park DATE 1-13-89  
WHOM DO YOU REPRESENT? Developmental Disabilities  
SUPPORT Spec. Ed Modified OPPOSE                      AMEND                       
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## Comments:

DD supports the 7.7 million, also local school boards

① Early Intervention works

Money spent early means reduced costs when people graduate from special ed.

- ② - Parents are trained in rights under 94-142.  
- Demand services guaranteed them by law.  
- Programs are unequal - Many parents will move to get services.

We support adoption of the 7.7 million modified.





EXHIBIT #7  
DATE 1-13-89  
HB \_\_\_\_\_

## **Montana Vocational Association**

**VOCATIONAL EDUCATION PUTS KNOWLEDGE TO WORK**

January 13, 1989

It is a pleasure for me to testify today on behalf of vocational education in Montana. I am Bill Jimmerson, teacher at Conrad High School. I represent the Montana Vocational Association which, of course, includes vocational agriculture, home economics, industrial and technical education, and business and office education.

My request today centers around the area of financing these educational classes so they can survive in our high schools. You need to realize the importance of vocational education to the students. If you believe that these types of classes belong in a high school curriculum, then you probably will support some sort of extra funding to help them survive. If you have ever taken a vocational class, you probably realize that it does take many extra dollars to keep the curriculums current with today's high technology. The latest figures I have indicate that in 1987 it cost school districts \$3.1 million more to offer vocational education classes than a regular class of English or Math would have cost. That year, the State helped with \$400,000 of that \$3.1 million. When the last legislature voted to reduce our funding to zero, nearly all school districts were forced to cut



## **Montana Vocational Association**

**VOCATIONAL EDUCATION PUTS KNOWLEDGE TO WORK**

the funding for their vocational classes. Some even eliminated part of their vocational offerings. In Conrad, our vocational budgets were reduced by nearly \$13,000 in response to losing our State funds and the general economic crunch we are all in. This represents a 30% decrease in our excess costs funds - those we consider above and beyond that of a non-vocational class. This excess cost area is used to update our equipment and provide our instructors with updated training to keep up with the rapid changes in technology and other vocational skill areas. As you are aware, once a program becomes out-dated, it costs a lot more to up-date it than it would to continue to up-date it every year.

As a Vocational group, we have studied our situation for the past few months and have asked that \$1.8 million be allocated for the next biennium for secondary vocational education. This \$900,000 per year represents about 30% of the \$3.1 in excess costs our programs cost the local districts.

We are totally aware of the problems this legislature will have in dealing with the school funding issue, but ask that in the final wash, vocational education not be thrown out again. We hope we are too important to our students to be left underfunded



# **Montana Vocational Association**

**VOCATIONAL EDUCATION PUTS KNOWLEDGE TO WORK**

and decaying in our school systems.

Thank you for your time and I would be glad to answer any questions you might have.

Bill J. Jimmerson  
Conrad High School  
Conrad, MT 59425  
278-3285

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

MY NAME IS LINDA COTTON. I HAVE BEEN A BUSINESS AND OFFICE INSTRUCTOR AT CASCADE HIGH SCHOOL FOR 13 YEARS. WE HAVE A TRADITION OF A VERY STRONG AND SUCCESSFUL VOCATIONAL EDUCATION PROGRAM AT CASCADE. OUR STUDENTS DO VERY WELL WHILE IN THE HIGH SCHOOL AND CONTINUE THEIR EXCELLENCE UPON GRADUATION. IN ORDER TO CONTINUE THIS SUCCESS WE VERY MUCH NEED YOUR HELP.

VOCATIONAL EDUCATION PROGRAMS REQUIRE MORE MONEY TO TRAIN A STUDENT THAN AN ENGLISH OR MATH CLASS. A MATH CLASS CAN MANAGE WITH ONE SIX YEAR OLD TEXT BOOK PER STUDENT. A WELDING CLASS MUST HAVE ONE WELDER PER STUDENT AND ALSO PURCHASE THE FUEL TO RUN THE MACHINE. A STUDENT WILL RARELY ENCOUNTER SIMPLY A TYPEWRITER IN AN OFFICE SETTING. A KNOWLEDGE OF BUSINESS COMPUTERS AND COMPETANCEY ON EVER CHANGING PROGRAMS ARE NO LONGER AN EXTRA - THEY ARE A TOOL FOR SUCCESS AND EMPLOYMENT. OUR SCHOOLS ARE ALREADY TEN YEARS BEHIND BUSINESS AND INDUSTRY AND WE ARE NOW REQUIRED TO TRAIN OUR STUDENTS ON OBSOLETE EQUIPMENT.

OUR EQUIPMENT ROTATIONS ARE CURRENTLY ON HOLD. WHILE NEW INOVATIONS ARE APPEARING DAILY IN THE WORLD OF BUSINESS, OUR STUDENTS ARE BEING TRAINED ON OLD EQUIPMENT. WE CAN'T DELAY MUCH LONGER AND STILL EXPECT OUR STUDENTS TO BE REMOTELY EMPLOYABLE. WE MUST BECOME MORE CURRENT IF OUR STUDENTS ARE TO BE AFFORDED THE OPPORTUNITIES THEY DESERVE.

THE OVERALL AFFECT OF REDUCED FUNDING AT OUR SCHOOL HAS BEEN A REDUCTION IN STAFF, A REDUCTION OF THE RESERVE, A STRETCHED REPLACEMENT SCHEDULE, AND DEFERRED REPAIR WORK. THE SCHEDULE FOR ROOFING HAS BEEN SCRAPPED. WE'RE NOT PUTTING OUT BUCKETS YET BUT WE'RE EXPERIENCING A DELAY OF THE INEVITABLE. THE COST FOR CHILDRENS' SCHOOL LUNCH HAS DOUBLED. AND WE'RE SEEING MORE AND MORE THE INCREASED COST FOR THE STUDENT FOR SERVICES SUCH AS DRIVER EDUCATION. MONEY THAT WAS SET ASIDE FOR THE PURCHASE OF SCHOOL LAND HAS BEEN MOVED INTO THE GENERAL FUND . . . THE LAND PURCHASE IS A DREAM OF THE PAST.

CASCADE AND MANY OTHER SCHOOLS HAVE USED GRANTS TO PROVIDE EQUIPMENT AND UPDATES. WITHOUT ADDITIONAL FUNDING, MANY SCHOOLS WILL NO LONGER HAVE THE MEANS TO MEET THE MATCHING FUNDS REQUIRED TO QUALIFY FOR GRANT MONIES. WE ARE CURRENTLY RELYING ON THE BENEVOLENCE AND GOOD WILL OF OUR SCHOOL BOARD TO KEEP OUR PROGRAM VIABLE. THERE MAY SOON COME A TIME WHEN THEY ARE FORCED TO CUT PROGRAMS BECAUSE THERE ARE SIMPLY NO FUNDS.

ADDITIONAL FUNDING FOR EDUCATION WOULD RESULT IN MONTANA STUDENTS CONTINUING A TRADITION OF EXCELLENCE. OUR STUDENTS HAVE UNBELIEVABLE POTENTIAL. HOW SAD IT WOULD BE TO SEE

THAT POTENTIAL UNTAPPED AND UNDERDEVELOPED. COMPETITION ON THE JOB MARKET IS A FACT OF LIFE - HAVING NO CHANCE TO COMPETE DOESN'T HAVE TO BE ANOTHER FACT OF LIFE FOR OUR KIDS. STUDENTS ARE NOT IGNORANT OF THE CHANGES IN THE WORLD INTO WHICH THEY WILL ENTER. LET US NOT BE GUILTY OF DISCOURAGING THEM - LET US INSTEAD PROVIDE THEM WITH EVERY OPPORTUNITY AND TOOL IT IS IN OUR POWER TO PROVIDE. WE ASK YOU TO APPROPRIATE THE ADDITIONAL FUNDING THAT IS NECESSARY TO EDUCATE OUR CHILDREN.

## VISITOR'S REGISTER

AGENCY(S)

OPT

SUBCOMMITTEE

DATE

Jun. 13, 89

DEPARTMENT

NAME	REPRESENTING	SUP- PORT	OP- POSE
Robert Runkel	Office of Public Instruction		
Robert Ruthemeyer	Office of Public Instruction		
Bill Jimmerson	Conrad High School		
Jim Wheaton	Office of Public Instruction	x	
Leonard Lamhorne	OPT	x	
Leslie Lott	Conrad H.S.	x	
Fred Appelman	Missoula Sp. Ed. Coop	x	
Kelly Egan	S.W. MT. Educ. Coop	x	
Pat Boyer	Special Ed. Administration	x	
Bill Hickey	Anaconda Schools	x	
Jim Fitzpatrick	MCVE Helena		
Gail Day	CPD	*	
Pat Dotter	MVA	✓	
Jan Lacy	SAH/MEA/MSBA	✓	
Miss Voluntary	DD	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT  
 IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.