

MINUTES

MONTANA SENATE 51st LEGISLATURE

SELECT COMMITTEE ON EDUCATION

Call to Order: By Chairman H. W. "Swede" Hammond, on June 1, 1989, at 1:00 p.m., room 108, Capitol

ROLL CALL

Members Present: Senator Bob Brown, Senator H. W. "Swede" Hammond, Senator Dennis Nathe, Senator Richard Pinsoneault, Senator Pat Regan, Senator Fred Van Valkenburg

Members Excused: None

Members Absent: None

Staff Present: None

DISCUSSION:

Chairman Hammond indicated he would like to find out from the committee members what direction this committee should take. He noted that the committee members have been provided with materials, which the Governor has made available, copies of which are attached as Exhibits 1 and 2. He reported that, at 2:00 p.m., there will be a presentation to a joint committee of the House and Senate, and the committee will hear from them at that time.

Chairman Hammond then stated that he has a list of the bills which have been requested, noting there are about 35 bills, and that they pertain to education equity.

Senator Nathe indicated there are 25 other taxation bills. Chairman Hammond asked Senator Del Gage if that is correct. Senator Gage responded that there were 50, as of yesterday. Senator Nathe asked Senator Gage how many of those are taxation, and how many are school equalization bills. Senator Gage indicated that there were 34 requested, 21 of which were taxation.

Chairman Hammond noted those he has were taken from the list yesterday. He indicated he asked if it would be possible to get the rough drafts for this committee and the Senate Education Committee, but that no drafts were ready at this time. He indicated there is nothing the committee can do, as

far as hearing these bills, prior to the Special Session, that they can only make themselves acquainted with them, and be aware of what they contain.

Senator Regan indicated that, while she knows the committee can not take formal action, instead of coming up here cold, just having read the bills, and not really having a thorough grasp of the variances within the bills, she would ask that some kind of spread sheet be prepared, which would compare the various bills, using the so-called points of consensus which the Education Committee spoke to, as a guideline, so that they could examine the bills in light of that, noting that homework should be done as soon as possible. She indicated she is not at all sure it would not be advantageous for them, prior to the start of the session, to at least come in and discuss, and see what kind of consensus they have, what kind of bills. She noted that, if they will be looking at eight different bills for equalization, they are going to have to try to shake it down as quickly as possible, taking one as a base from which to work. She further indicated she realizes they can not take formal action, but thinks there might be a way in which the committee can try and short-cut what their charge is. She added that she does not see how they can possibly get out of here in 11 days, if they do not have agreement.

Chairman Hammond indicated he thinks her point is well-taken, and that he certainly would agree with that. He noted the only thing he would add is that he would like to have the full Education Committee of the Senate be there, when they do this, so they have the background, and anyone else who would like to be present.

Senator Nathe asked what Chairman Hammond would envision, on a mechanical basis; if they would come in prior to the start of the session, or hold several meetings when they come in on the 19th, in three or four days of time. He added that he thinks they have to do this, but that he would like to know how they are going to accomplish it.

Chairman Hammond responded that he would think it is better to come in prior to the session, to give them a little more time, perhaps.

Senator Brown asked if it would make more sense to have the regular Education Committee meet a day or two, or three, prior to the session, noting that committee has the authority to report to the floor. Chairman Hammond responded that they can not hold any official hearings, as he understands it. Senator Brown indicated he had a talk with the President, and the

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Taxation Committee is going to hold hearings on the Thursday before the session. Chairman Hammond noted that, if Taxation can do it, he would guess they could, too.

Senator Gage indicated he wrote a letter to President Galt, asking him to contact Speaker Vincent to see if there was a possibility of both Education and Taxation standing committees coming in, depending on how many bills there happens to be, two or three days early, and holding joint hearings on those bills, so that people will not have to come back a couple of days after a bill is heard in the Senate, to hear the same bill in the House, assuming it passes the Senate. He noted that he has not gotten any response back from him, so he does not know what the status of that is right now.

Chairman Hammond asked Senator Brown if he talked with President Galt last night, and if his response was that they would be able to. Senator Brown responded they just talked about the Senate Taxation Committee, and decided that the Senate Taxation Committee would hold public hearings on Thursday. Chairman Hammond indicated he would contact President Galt, noting that he understood it was legally impossible for them to hold hearings. He asked if there is someone from the Legislative Council in attendance.

David Cogley, Legislative Council, announced his presence, and indicated he can not answer the question. He noted that he thinks they have to be acting under the call, and within the time-frame mentioned in the call. Chairman Hammond noted that is what he understood. Mr. Cogley reiterated that he can not answer the question without looking into it.

Senator Regan stated that she suspects the committee can not take formal action, but she still thinks there is merit in a meeting to discuss trying to shake the things down and then, the first day, as they meet, taking immediate action. She added that she thinks it would be a travesty to act before the fact.

Senator Pinsoneault indicated he does not know why they can not have a dress rehearsal, which is what they are suggesting. He noted that, in reviewing what the Governor has proposed, there are substantial, major changes, which he thinks needs some long, hard consideration. He stated he would personally concur with Senator Regan's suggestion that they have some rehearsals, whether it is official or not, noting they had better prime themselves to do the job they have to do, when the call starts.

Chairman Hammond asked Senator Pineseault how much time he feels would be necessary, that they should make that decision now. Senator Brown responded Thursday and Friday, with the possibility of Saturday, depending on how they want to do it. Chairman Hammond noted that would give them a little room, and Senator Brown indicated they would have some flexibility, adding that what he thinks needs to be stressed, following up on the comments by Senator Pineseault and Senator Regan, is that it seems to him the committee which meets on the Thursday preceding the beginning of the Special Session should be the whole Education Committee.

Chairman Hammond responded that is what he intended. He pointed out they are here, today, except for Senator Farrell, and that is the only way it could be a dress rehearsal.

Senator Regan noted there is no deadline for the introduction of bills, and indicated this is very troubling because, at the last minute, they could find a block-buster sitting there. Chairman Hammond indicated that, as far as the spread sheet comparison, it will have to be made with whatever is available at that time, to try to get them out to the committee, and, if something else appears, they will have to work with it the best they can.

Senator Regan asked, in that spread sheet, if Chairman Hammond would please ask the staff to make one column which is the so-called consensus points, noting she thinks it is important they have some reference, and that it seems logical that all bills use the consensus points. Senator Brown noted the spread sheet was invaluable to them during the session. Chairman Hammond asked if there is any feeling, as far as this committee is concerned, and if they want to come up with a proposal from the committee.

Senator Regan noted she thinks they have jumped to the end of the session, that committee bills always come out the last couple of days of the session.

Senator Pineseault asked Chairman Hammond what is to take place at 2:00. Chairman Hammond responded they will go to the old Supreme Court Chambers and hear from Dr. Nordtvedt on this proposal, noting some of the committee members may have heard it, that it is the Governor's proposal. He indicated that, then, they will come back and meet separately for discussion, if the committee wishes, or they can stay as a group of the House and the Senate, and have an open discussion as to what directions they should go. He noted he thinks, if

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it is possible to have a discussion between the two committees, it would be invaluable, and is the way it should be.

Senator Van Valkenburg indicated he would hope they would do something like that, that, otherwise, he can not justify, in his mind, why they are all here, right now, unless they do something like that today, and maybe even into tomorrow. He indicated it is a lot of work and expense to get them all together, in Helena, and he would like to do more than just hear what the administration's proposal is.

Chairman Hammond indicated he agrees, but that he does not know how to start this, getting the committees together and getting some discussion going. He then asked if there is anyone, other than the committee, that would like to add something.

Mr. Bob Anderson, of the School Board Association, indicated that, in the last session, they had trouble trying to determine what different plans looked like, based upon certain figures. He indicated he thinks there was an agreement, between the LFA, OPI and the Legislative Auditor, to look at 1988 expenditures, noting that, last night, they got a copy of the Governor's proposal, and it looks like it might be based upon 1988 actual budgets. He pointed out that he thinks there may be a problem for them to look through those various programs, column by column, if they do not use some basis that they were accustomed to using in the last session and that, again, he would recommend 1988 expenditures.

Mr. Greg Groepper, Office of Public Instruction, indicated one other procedural thing he thinks worked extremely well, during the session, was that the Legislative Auditor's office, the LFA, and the Office of Public Instruction all had kind of standing orders to share all the data, so that they were using 1988 expenditures, and were agreeing to use the same set of data. He indicated that now, as additional data has become available from the Department of Revenue, for school districts tax base, by class of property, to analyze the Governor's proposal, and the impacts of various school districts, it would be good to bring the Department of Revenue into that, so that they are all working with the same set of data. He noted that using one set of numbers against another set of numbers would add to the confusion in the short session.

Senator Chet Blaylock stated that he thinks it would be a good idea for Chairman Hammond to request of Greg Petesch what kind of status the committee hearings they are planning, pre-session, might have. He indicated that, if they go into a

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Senate Education Committee, before the Special Session is really called to order, if they take some kind of action, or phony it up, and say they have all decided this is what they are going to do, and if someone's plan is dropped in the day after, and they do not think they got a fair shot, he thinks they will have some pretty upset people. He added that he does not quarrel with what Senator Regan wants to do, with having a spread sheet, and having as much information as they can get, but that he thinks, if they start really discussing the merits and what direction they want to go, they should be extremely careful.

Chairman Hammond indicated he agrees with Senator Blaylock's point, but asked Senator Blaylock if he thinks, if there is a bill dropped in after, noting this is going to be two days before it starts, that they could have hearings just on that particular bill, and not deny anyone anything. He noted that it seems they should try to expedite things, as much as possible.

Senator Blaylock responded that he is with Chairman Hammond, that all legislators want to expedite, and get out of here. He pointed out that they are facing some very difficult issues and could not get out of here, in the regular session, just because of these issues they are thinking about, right here. He noted that he does not think they should say a hearing, but that, if they want to, get in early, sit down and discuss among themselves, without a hearing, and then, when the bills come forth, they actually get into the process, and go through it in the regular manner, noting that this is what they had better do, because, if they start having witnesses and the different educational groups giving their testimony, before the session starts, they should find out from Mr. Petesch just where do they go, what can they do. He added that he thinks some serious questions could be raised.

Senator Pinsoneault responded that is not what he contemplated, noting he agrees that would be improper, but that he does not think there is anything wrong with taking the bills to the committee, with a staff member, and sitting down and going through them. Senator Brown added or even inviting public comment. Senator Pinsoneault noted just like they are, today, having an open meeting.

Senator Nathe asked if the creation of this subcommittee, or special education committee, is on the same plane as an interim committee. He noted that what he is looking at is the success of all the welfare reform legislation that was put together. He indicated it was done by select committees, in

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the interim, and asked what the comparison is to what they are here. He then indicated that, in 1986, in the first special session, they did not get a lot accomplished but, in the second one, they did, and asked what was the difference in those two, noting that Appropriations and Finance and Claims came in before the full legislature convened.

Senator Van Valkenburg pointed out that there is specific statutory authority for the Appropriations and Finance and Claims committees to meet, prior to session, and take action. He noted that, for instance, the Appropriations and Finance and Claims committees could meet prior to the Special Session, and take action, but he would think there is not specific authority for the Education or Taxation committees to do that. Senator Nathe noted they can make recommendations. Senator Van Valkenburg indicated they would not have any effect. Senator Nathe noted he was trying to point out the success of the welfare reform legislation, which met with controversy, and it was all done prior to the Special Session. Senator Van Valkenburg indicated the practical consequences of that are that they aired out the problems, found out what some of the pitfalls are, and responded to them, and then they began holding formal hearings, once the session started. He noted that is what Senator Regan suggested, that is how he interpreted it.

Senator Nathe asked if they could do that, and asked how Senator Blaylock feels. Chairman Hammond asked Senator Blaylock how he sees that, noting there is not anything that would be illegal, as far as the rules are concerned. Senator Blaylock asked if Chairman Hammond contemplates this meeting as the Senate Education Committee going through the bills that they have, at that point, concerning equalization, noting that is the big problem they have, and just discussing it, but taking no action. Chairman Hammond indicated there would be no action, adding that time will have to be spent some place, some time, and, as long as they do not take any action, they certainly should not be putting themselves in jeopardy, regarding legality.

Senator Blaylock responded that he thinks there should not be strong objection to that, adding that he thinks the members who are not on this committee might want to be up here, and might want to participate. He noted that, in the past, he has, as a legislator, grown uneasy in the fact that he feels there is no first among equals, in the legislature, that they are all elected by approximately the same number of people, and with the same authorities, and to say that committees will

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start taking action before he is up here, or someone else is up here, leaves him uneasy.

Chairman Hammond stated that the Education Committee will be included in any of the discussion here, as far as he is concerned, that they have to know what has been done, because it will be their responsibility, after it starts.

Senator Pinsoneault asked David Cogley if he is available from here on in. Mr. Cogley responded yes, noting that Greg Petesch asked if he could come back for the Special Session, for whatever purposes, presumably the select committee, or the Education Committee, if need be, adding that he is available. Senator Pinsoneault then asked if he will be available to the Chairman of the Senate Education Committee from now until the session commences. Mr. Cogley responded certainly.

Senator Regan indicated she would assume the LFA would request that he run scenarios on any bills which are being considered, and asked if that is possible, if he will have time to do it.

Judy Rippingale, Legislative Fiscal Analyst Office, indicated she does not know how many bills there will be, but that, presumably, they will need to know the scenarios on every single bill, and they will certainly try to do that. She further indicated they will use SB203 as a base, because there seems to be a lot of questions from people as to how all of these proposals compare with 203. She noted that people seem to be pretty familiar with 203.

Chairman Hammond asked Mr. Cogley if he understands the request, as far as the spread sheet is concerned, in comparing all of these bills. Mr. Cogley responded that, during the regular Session, it was Andy, Madalyn and he who worked on those comparison charts, and that they would be happy to do that, again. He noted the only problem is that they do not have a lot of the specifics in order to draft bills and, until they have those, it is real difficult to put together a chart. He indicated they can do it, as they go along, for the bills they have drafted, and that they have the information to draft, but that it is difficult until they have all that information.

Chairman Hammond indicated there are only two or three drafted, now. Senator Brown noted that, as a reference point, if this has not been made clear, maybe one of the columns could include old SB203, just as a basis for comparison. Mr. Cogley indicated sure. He asked if they wanted SB203 as it was, and Senator Nathe responded as it came out of the House

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Select Committee, back to the Senate. Mr. Cogley asked if Chairman Hammond and Senator Nathe would want to include the changes that the Conference Committee discussed, or just stay with the bill that was printed, noting it might be best just to stay with the bill that was printed, then it is available. Senator Nathe noted they have a record of the Conference Committee, and Chairman Hammond noted it is in the minutes. Senator Nathe pointed out there were technical changes made in the Conference Committee. Mr. Cogley indicated they know what those changes were, and Senator Nathe indicated they can always be put back in, but that maybe it would be best to use 203 as it came back from the House. Senator Blaylock indicated he thinks that it would probably be wise to do it that way.

Chairman Hammond noted that Senator Judy Jacobson had asked to be recognized earlier. Senator Jacobson indicated she had a question that she thinks Senator Gage has already answered, which is what the status is of a standing committee, when they are not in session. She noted she thinks it is that they do not exist and so, in order to call the Education Committee in, Senator Gage indicated they would have to have this select committee meet, and request the other members to be there.

Chairman Hammond noted this is an interim committee. Senator Jacobson agreed, noting that the Education and Taxation Committees are not.

Senator Regan asked, if they made such a request, would leadership be agreeable to reimbursement of their expenses, noting it seems to her it is a legitimate thing, if they are having their expenses paid. Chairman Hammond responded that he asked that, and the Council agreed that anyone who attends these meetings would get mileage, but not salary.

Senator Gage noted that the motion of the Council was that, for these interim committees, any legislator who attends, and is not on the committee, would get expenses but no salary. He indicated that, if the committee requests a particular legislator to attend, they would get salary, as well, which is how they get around bringing those committees in, that the select committees can invite regular committees to sit in with them. Senator Nathe asked if that would apply for them coming in on the Thursday before. He noted that, in 1986, other legislators, who were not on Finance and Claims or House Appropriations, got their expenses, but no salary, because they met ahead of time.

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Senator Van Valkenburg indicated it sounds like they are headed, after today, to the Thursday prior to the Special Session, and that the full Education Committee would meet and take up what is then pending, and compared, in the way of education bills and, probably, the full Taxation Committee doing the same thing. He asked if that is how Chairman Hammond understands it.

Chairman Hammond responded they would have to call the meeting for this committee, noting this is the only official committee, and ask the other members of the Senate Education Committee to be in attendance. Senator Van Valkenburg noted that helps him to understand, adding that he is trying to figure out what his status, in particular, might be, because he is not a member of either of those committees. Chairman Hammond responded he is, now. Senator Van Valkenburg added that it also brings into some degree of question the desire of the Senate Leadership as to whether the pre-session activities are to be bi-partisan in nature, an equally divided committee such as what they have here today, or, by going to the regular Education and Taxation Committees, if they are going to operate in pre-session status as they would during the session, with a majority and minority party.

Chairman Hammond responded they will have to get those details from the President of the Senate and the Rules Committee, that he really does not know. Senator Brown indicated he does not see a problem because of what Senator Regan said, noting that, if the committee which meets on the Thursday prior to the session just informally discusses the bills, the Education Committee, in the case of that committee, and the Taxation Committee, in the case of that committee, and if members of the public are there, and would like to share their thoughts and observations on the bills, that is fine, that they can make notes in the margin, and talk about possible amendments, or whatever they might need to do to break the trail and then, Senator Van Valkenburg, as a member of the special committee, and the other people, as members of the Education Committee who were invited, would be salaried on those days, in addition to per diem, and that other members who want to come and look in on their activities would be welcome to, but they would just get the per diem. He noted that is how he sees it working.

Senator Van Valkenburg indicated that makes sense to him, but that it goes even further, to alleviate some of Senator Blaylock's concerns, that, if they are meeting in that status, there really is no likelihood action will be taken. Chairman Hammond noted they could not vote. Senator Brown added that

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they might reach some consensus, which could be helpful to them on Monday.

Mr. Tom Bilodeau, Montana Education Association, indicated that, regarding what Senator Regan mentioned about incorporating the consensus position in the spread sheet, as the committee may be aware, MEA, OPI, the plaintiffs, prepared a fact sheet last spring, in the course of the session, and that data base is based off the same fiscal 1988 trustee data base which was used by the LFA and OPI, during the session. He indicated they are most agreeable to sharing that data base, noting they have already costed out the proposal, and there is a meeting scheduled tomorrow to update some of the data. He reiterated they would be willing to make that available, noting he is a little unsure if that is going to be incorporated in the spread sheets, or if they should proceed separately, adding that it makes a difference as to who they work with, and when they schedule those meetings to get the spread sheets together.

Chairman Hammond asked if there are any concerns as far as these spread sheets. Senator Nathe asked if the legislative staff is going to prepare the spread sheets. Chairman Hammond responded yes. Senator Nathe indicated he would certainly agree to the legislature staff, LFA, the Council, the Auditor, their input. Chairman Hammond indicated they are making their figures available for the committee's use. Mr. Cogley indicated the spread sheet, as he understands it, is a comparison of the provisions of different bills, and he thinks what Mr. Bilodeau is talking about is the financial data they use, the expenditure data they use to make the comparisons on, and that data base, as he understands it, the 1988 expenditure data is already available, noting he is not sure what further Mr. Bilodeau is suggesting. Mr. Bilodeau responded the LFA, Audit and OPI never costed those out, the consensus, that the only groups who have done that are the consensus group and, if they are interested in seeing the costing, district by district, the consensus, and want to incorporate that into their financial spread sheet, rather than point by point, description of the text, and differences, they will make that available to them. He noted the thing he is afraid of is that the OPI, LFA and Auditor will be working in one direction, costing out the consensus, and the consensus group has already costed it out, and there will be differences.

Chairman Hammond indicated if they make that available to this committee, they could use that, along with other information that they have, and can make the comparisons. Senator Regan indicated she would like the LFA to respond or react, because

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she wants to make sure that, on all the data they use, they agree on the data base and, hopefully, agree on the methodology with which they cost something out. She indicated she can see no problem with some consultation with the LFA, but that she does not want to come up here and find, as Mr. Bilodeau has said, two scenarios, and then being forced to take their pick. She noted that, if that is the case, of course they will go with their staff. She indicated it would seem to her that it would be wise that the plaintiffs work with the LFA, and see if there is common agreement in the way in which something is costed out.

Ms. Rippingale reported there is a meeting tomorrow at 11:00 to discuss any problems in the data base, and to make sure there is some consistency and commonality with the basic data. She indicated that, as it appears right now, in terms of the taxable data, by school district, by class, that is the tax base that their office put together with the help of the Department of Revenue and cities and counties. She noted they have quite a bit of the data, that they are refining it and, as any refinements come in, they are making those available to everybody. She further indicated their office is more than happy to have any information that any other office wants to bring in, and share with them, and to any advice they would like to offer on the ways of calculating, or doing something. She noted that, in the end, it is her job, that she has to be responsible that the numbers they turn out are the numbers they think are most accurate, noting that her experience, in this last session, is that, if the people communicate well with Madalyn, and the other groups working on it, they have been able to work out any technical problems that ever existed. She reiterated that they are more than open to people coming in and offering any assistance or help that they have, and communicating back, if they have any concerns, noting she thinks it has worked out real well.

Mr. Bilodeau indicated he did not mean to imply otherwise, it has worked out pretty well, that they worked well with Madalyn and OPI and Audit, noting the only thing was that the consensus positions were not part of the spread sheet, and he was not sure whether or not that is the goal the committee wants to bring forth.

Chairman Hammond indicated that he thinks that can be worked out. Senator Regan indicated she is not sure she understands what they are driving at, regarding consensus points and costing them out for individual districts. She noted she envisions the provisions of the various bills being compared to consensus points, and then, at the end, Bill A has the

following spread sheet for all the districts, given all the data that is in, all the departments that are in Bill A, and that Bill B, which uses different percentages, has the following. Senator Regan asked Mr. Bilodeau if this is what he is speaking of.

Mr. Bilodeau responded that is basically it, although they have always tried to put them on the same spread sheets, so they can be compared side by side.

There was general discussion regarding the spread sheets, and Senator Regan asked that they work it out, noting she thinks it is terribly important they work from the same base. Chairman Hammond noted that is what he sees happening. Senator Regan added that revenue, and everything else, has to be from the same base.

Senator Gage pointed out that he thinks it is a little bit of an exercise in futility, because those actual tax bases, with the fluctuations in net proceeds, unless they go to a gross proceeds, are horrendous. He reported that Shell Oil told him their net proceeds calculations indicate their net proceeds, which will be paid during the current year, are down 45% from what they were the previous year. He noted the figures they come up with are fine, for comparative purposes, but that if, by and large, they are saying the big discrepancies are because of net proceeds in those areas, unless they go to a gross proceeds, which is more stabilized, they are not going to get anything but probably what would have happened in 1988, which may not even be close in 1991.

Chairman Hammond announced the committee will dismiss for the meeting with the House in chambers.

ADJOURNMENT

Adjournment At: 1:50 p.m.


H. W. "SWEDE" HAMMOND, Chairman

ROLL CALL

SENATE SPECIAL COMMITTEE ON EDUCATION
51ST LEGISLATIVE SESSION

DATE: June 1, 1989

NAME	PRESENT	ABSENT	EXCUSED
BOB BROWN	✓		
H. W. "SWEDE" HAMMOND	✓		
DENNIS NATHE	✓		
R. J. "DICK" PINSONEAULT	✓		
PAT REGAN	✓		
FRED VAN VALKENBURG	✓		

Sen. Select Comm. on
Education

EXHIBIT NO. _____

DATE 6/1/89

BILL NO. GOV'S PROPOSAL



A Proposal to Equalize School Funding in Montana

Positions and Recommendations
Submitted to the June Special Session
of the 51st Legislature

May 1989

Stan Stephens, Governor

EXHIBIT NO. 2 pg 1
DATE 6/1/89
BILL NO GOV'S PROPOSAL

A PROPOSAL TO DEFINE BASIC EDUCATION AND IMPLEMENT THE NEW CENTURY PLAN FOR
ACCOUNTABILITY AND QUALITY IN EDUCATION

Positions and Recommendations
Submitted to the June Special Session of the 51st. Legislature
May 1989



Stan Stephens, Governor

A Proposal to Define Basic Education and Implement The New Century Plan for
Accountability and Quality in Education

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 - (1) Intra and inter district school choice
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I. Introduction

The Montana Supreme Court has dictated a major revolution in school finance. Because any response to the court requires the state to assume a very large share of school spending, it is appropriate to take two necessary steps: define the basic system of quality education that the state will fund and require schools be accountable for the \$600 million they spend each biennium.

Defining a basic system of quality education will allow the legislature and the court to easily assess whether the state is funding its constitutional share of the cost. Furthermore, the equalization of school funding will be made easier when it is clear exactly what education spending must be equalized. With adoption of the New Century Plan for Education, Montana takes its place at the forefront of innovative state efforts to bring accountability and quality to their school spending and education. Adoption of the Montana School Report Cards Program, the Century Incentive Program for Teachers, the Montana Parents Choice in Schools Program, GAAP, Private Contracting and Alternative Certification, parents, students, taxpayers and educators will have assurance that the best education for the money is being offered in Montana.

II. PROPOSED DEFINITION OF

A BASIC SYSTEM OF FREE, QUALITY EDUCATION

The Montana Constitution requires that the Legislature provide a basic system of free quality elementary and secondary schools and then fund its share of the cost. The Montana Supreme Court has ruled that the way the state finances that basic system is unconstitutional, therefore, it is essential not only that we revise the funding method but also define the basic system and the state's share of the funding for that system.

I propose that the term "basic system of free quality public school education" include:

- (1) the basic instructional program defined and specified by the Accreditation Standards Adopted by the Board of Public Education as of December 31, 1988, and other legislative instructional mandated programs. (See Appendix "C" for details on those standards.) New standards adopted after that date (Project Excellence) will be included in the definition when a new revenue source is identified.
- (2) salaries and mandated employee benefits for the certified and noncertified employees employed by a district to execute the basic instructional program and any mandated special education program;
- (3) resources and equipment required to provide the basic instructional program, including textbooks, supplies, and media materials;
- (4) beginning with the 1991-92 school year, capital outlay, meaning physical plant maintenance and operation, which includes funds used for the insurance, improvement, equipping, renovating, or repairing of school buildings or school facilities, but does not include funds used for acquisition of land or new construction of school buildings or facilities; and
- (5) beginning with the 1991-92 school year, transportation to and from public schools as provided by the legislature.
- (6) Extra- and co-curricular programs adopted in the general fund budget of a district to enhance pupil utilization of the basic instructional program will be added to the definition upon completion of a review and

report to the 1991 Legislature by an interim legislative committee working in concert with the Board of Public Education.

In the interim, current state general fund support for these programs will be continued.

The state will be required to provide its share of the cost of a basic system of quality education. State payment will be made through the foundation program.

The foundation program payment will finance the general fund of the district. The general fund will include teachers' retirement, comprehensive insurance and the current general fund.

The general fund budget will be financed by appropriated foundation program revenue and may be supplemented by additional local voted levies.

Finally, my legislation will call for an interim legislative subcommittee on education working in concert with the Board of Education to review the impacts of this definition of a basic system of quality education upon school funding and education in Montana. The interim subcommittee will report to the next regular legislature on their findings and make any recommendations necessary to fulfill the intent of this legislation and maintain oversight to assure continued compliance with the Supreme Court decision.

My legislation ensures that the accreditation standards we adopt represent the current education being provided in Montana. Any change in accreditation standards from those defining the basic instructional program as of December 31, 1988, will not be included in the definition unless affirmatively ratified by the legislature.

III. GOVERNOR'S NEW CENTURY PLAN FOR ACCOUNTABILITY AND
QUALITY IN EDUCATION

A. MONTANA REPORT CARD FOR SCHOOLS PROGRAM

I recommend we require each school to report annually, in a manner discernible to the reader, on the following items. In most respects this requires schools only to report information already gathered in their fall report. The Office of Public Instruction (OPI) will be requested to come up with an acceptable format for statewide dissemination to be used by schools in reporting to parents and the public through press release and submission to the county superintendent and OPI. This requirement excludes special education students and will maintain individual privacy so as not to disclose information identifiable with individual students.

- (1) Student academic performance by grade and subject area.
- (2) Student assessment scores on standardized tests.
- (3) Teacher and administrator attendance.
- (4) Total number of teachers, the ratio to total students and a comparison to the average school of that size/class.
- (5) Total number of administrators, the ratio to total students and to total teachers and a comparison to the average school of that size/class.
- (6) Total number of non-certified employees, the ratio to total students and a comparison to the average school of that size/class.
- (7) Number of student Drop-outs.
- (8) Average class size by grade and subject area.
- (9) Average number of years experience on the school's teaching staff and compared with average size/class.
- (10) Number of teachers assigned to teach outside their major/minor areas of endorsement.
- (11) General fund spending above/below average school of same class/size.

B. GOVERNOR'S NEW CENTURY INCENTIVE PROGRAM FOR TEACHERS
(One Year Pilot Program)

This proposal stimulates better teaching by rewarding motivated teachers with increased compensation. A teacher would be nominated for a Century Incentive Program (CIP) Grant based on demonstrated excellence in and commitment to teaching as measured by classroom performance, creativity, student/teacher relationships and other appropriate criteria.

- (1) Nomination of individual teachers (excluding administrative staff) for a Century Incentive Program Grant can be made by:
 - (A) Majority vote of a school's faculty;
 - (B) The joint approval of a school principal and the district superintendent;
 - (C) Any three parents with children currently or previously taught by the teacher; or
 - (D) A majority of the students of a class taught by that teacher.

- (2) The teacher must then prepare a Century Incentive Program application containing
 - (A) Existing classroom evaluations;
 - (B) Peer review forms completed by a teacher selected by the nominee, a teacher selected by the school principal/administrator and one teacher selected by the school's faculty;
 - (C) Student and parent comments solicited through a general announcement from the school; and
 - (D) Other information related to the nomination criteria or indicative of the individual teacher's excellence in teaching.

- (3) The nominee's CIP Packet will then be reviewed by a panel composed of:
 - (A) A parent selected by the school district's board of trustees;
 - (B) The school's principal/administrator;
 - (C) One teacher selected by the school's faculty; and
 - (D) One student selected by the student council or if none exists, by the board of trustees.

Those Governor's Century Incentive Program nominees selected by the panel and ratified by the school district board of trustees will receive \$2,000 beginning with the school year subsequent to selection.

- (4) Legislation will contain language declaring that Century Incentive Program payments will not be considered salary for purposes of collective bargaining or purposes of tenure statutes or teacher retirement.
- (5) An individual teacher would be eligible for a CIP grant only once every three years.
- (6) OPI will be instructed to draft a form to be completed by a school district upon final nominee selection. The Office of Budget and Program Planning will then administer the issuance of a check.
- (7) With the excellence in teaching that this Century Incentive Program seeks to acknowledge and reward, it is anticipated that 25 percent of teachers would be eligible and \$5,250,000 will be appropriated. Nominations will be due on a specific date and if nominations were to exceed the anticipated numbers the \$2,000 compensation would be lowered proportionately.

C. **MONTANA CHOICE PROGRAM**
[Two year pilot program]

(1) INTRADISTRICT AND INTERDISTRICT CHOICE.

This program will allow parents to choose which school their children attend. "Well-crafted choice programs can become lightning rods for educational equity, opportunity, innovation and excellence. Choice can turn education back into a cooperative enterprise between school, student and teacher." Gov. Thomas Kean, N.J.

Minnesota Governor Rudy Perpich has moved his state into the forefront on education reform. Here are a few of his comments concerning choice:

"I began to realize that one of the most important steps we can take to improve students' academic skills and attitudes and lower the dropout rate is to expand the choices families have to select among our public schools...."

"When Minnesota passed legislation that gave parents school choice, people predicted their schools would close and that there would be a bureaucratic nightmare of red tape. But very few students actually transferred from their school districts."

"It takes a compelling reason for students to leave their friends and neighborhood. Not many do. But under open enrollment, parents and students always have the power and leverage to choose another school. School districts are compelled to create a system of educational excellence because state revenues follow students wherever they go, and, after all, schools do understand the bottom line." New York Times
3/20/89

It is interesting to note a 1986 Gallup Poll nationwide: 68% of public school parents endorsed the idea of choice among public schools.

We would revise and amend existing tuition statutes to permit parents to send children to a school of their choice at no cost.

Some of the administrative details of a Choice Program are outlined in Appendix "A".

(2) LEARNING INCENTIVE PROGRAM

The Learning Incentive Program is a voluntary program designed to provide greater educational options for high school seniors who desire additional intellectual challenges by allowing them to take courses outside their resident district at either participating public secondary institutions or public/independent colleges or universities for both high school and college credit.

Participating students may take up to the equivalent of two year-long courses outside their resident high school, up to two courses per semester at public/independent colleges or universities, or any combination of these up to the equivalent of two year-long courses. Some of the details and administrative concerns are outlined in Appendix "B".

The State will pay for the credit costs of the courses taken on an average credit per hour basis plus up to \$10 for books.

D. All K-12 schools in Montana will be required to use generally accepted accounting principles when reporting their expenditures and receipts in line with the proposal adopted by the House Select Committee on Education in SB 203.

E. Alternative Certification Program.

Under this proposal, Montana would adopt an Alternative Certification Program. Alternative Certification would allow competent individuals to teach in their area of expertise though they might lack traditional teaching certification.

An example of the usefulness of Alternative Certification is especially apparent in the area of foreign languages. International economic interdependency has brought added importance to language fluency. Alternative Certification would make it easier for schools to provide language options to their students by increasing dramatically their pool of potential instructors.

APPENDIX "A"

MONTANA CHOICE PROGRAM

DESCRIPTION: This program is designed to assist school districts in the creation of intradistrict and interdistrict systems of choice which emphasize parental selection of schools at any or all levels.

- GUIDELINES: A. Choice Registration Process
1. Registration will begin at a specified time each year.
 2. The process should allow time for parental school visits and orientation.
 3. Parents may choose a school as part of the choice registration process only.
 4. Parents do not have to choose a school:
 - a. At time of initiation of the choice system, parents may elect to keep their child in the currently assigned school without any action on their part.
 - b. After the choice plan is implemented, students already enrolled in a school need not reapply for enrollment each year. If a transfer is not requested, it will be assumed that the child will continue in the school of enrollment to ensure continuity.
 5. Parents choosing a school during choice registration must select and rank-order a set number of schools (as determined locally) at the set time of registration. Parents are not guaranteed their first choice.
 6. All students shall be provided access to all schools subject only to the following:
 - a. Space availability -- which will be defined locally by the administration

and school board. Such policy should address school capacity, class size and facilities. Actual space available should be determined in advance of the choice registration process.

b. Sibling preference -- to those children with a brother or sister in the selected school.

7. If there are more eligible students than spaces available after the criteria in these guidelines (A.6, a and b) have been considered, one or all of the following may be used as further criteria:

a. Those students living closest to the school may be given priority, or

b. A lottery may be conducted among the eligible students to fill the available spaces.

8. If the first choice is not awarded, then the student may be placed in the second or third choice school, subject to these same guidelines and in accordance with local policy.

9. Districts may use a waiting list for those who do not receive their first choice.

10. It is expected that students will spend at least one year in the selected school--subject to the local appeal process (A.12)

11. Student transfer requests -- requests for movement of a student other than during the choice registration process -- will be handled by a locally designated school administrator, who will discuss the request with both the parent/guardian and student.

a. Student placement in a school selected by a transfer request is subject to the same guidelines as stated in A. 6 and must be compatible with the student's interests and needs.

b. If the final decision of the locally designated school administrator is not

acceptable to the parent/guardian, see
A.12.

12. The parent/guardian should have the right to appeal student placements or transfer denials before a locally-appointed committee comprised of a parent(s), teacher(s), administrator(s). Final decisions on appeals rest with the district school board.

APPENDIX "B"

LEARNING INCENTIVE PROGRAM

PROGRAM

- OBJECTIVES:
- A. To provide for a greater variety of educational options for eligible public school students.
 - B. To offer intellectually stimulating experiences for eligible students.
 - C. To facilitate the use by secondary students of the specializations, technology and depth of knowledge available at public secondary and public/independent colleges and universities.
 - D. To provide students with an opportunity to gain knowledge and skills by attending other public secondary institutions or public/independent colleges and universities.

GUIDELINES:

- A. Pupil Eligibility
 - 1. Twelfth grade students enrolled in public secondary schools are eligible for this program.
 - 2. Students may participate in this program by taking up to the equivalent of two year-long courses at a public secondary institution outside their district, two courses per semester at a public/independent college or university, or any combination of these up to the equivalent of two year-long courses.
 - 3. Students may enroll in any official session, including summer, of the participating institutions.
- B. Participating Institutions
 - 1. Institutions that are eligible to participate in this pilot program are all Montana public secondary schools and public/independent two- and four-year colleges and universities.

2. Participating institutions will determine which courses may be used for this program.

3. Participating institutions must provide students with a comprehensive list of course offerings yearly before high school scheduling begins.

4. Participating institutions may require students to meet appropriate standard academic prerequisites for admission into courses. Such prerequisites will be determined by the individual institutions, subject to existing state regulations and guidelines.

5. Transportation: Students attending participating institutions under this program are responsible for their own transportation.

6. Students may not audit courses under this program. All courses may be taken for credit and students must meet all requirements set by the instructor.

C. Student Placement

1. Participating colleges and universities will allow students to enroll in courses offered.

2. Colleges and universities will provide the appropriate support services for these students (e.g. use of computer labs, tutorial services.)

3. Participating public secondary schools may accept students on a space available basis.

4. Participating public secondary institutions and public/independent colleges and universities cannot discriminate against students on the basis of race, gender, language ability, socioeconomic status or educational handicap.

D. Post-secondary Course Completion

1. Students who successfully complete post-secondary courses under this program will be

awarded both secondary and post-secondary (dual) credit.

2. If a student attends the same public/independent college or university after high school graduation, that post-secondary institution must accept the student's credits acquired under this program. That college/university may not refuse to grant credit and may not charge students for the award of this credit subject to regulations in effect at the time of the student's enrollment.
3. Students must meet the local resident district and state mandates for graduation.

The OPI and Board of Regents will be instructed to develop an average tuition cost figure for the allowed course hours. There will also be funding of \$25 per eligible secondary student for books for post-secondary courses taken.

APPENDIX "C"

SYNOPSIS OF ACCREDITATION STANDARDS

AS OF JUNE 30, 1989

- . Schools must be scheduled for at least 180 days
- . School Districts operating both an elementary and a high school must have a certified superintendent.
- . Schools with less than 150 students and which are not under a district superintendent's supervision must provide county superintendent of schools supervision two days per teacher per year.
 - less than 150 students must have a superintendent or 2 days per teacher per year supervision by the county superintendent.
 - from 150-300 students in a district the superintendent may be half-time principal and the district may hire a half-time principal.
 - from 150-300 in a school there must be a principal administering at least one-half time and a superintendent.
 - greater than 300 students in a school there must be a full-time principal
 - greater than 500 students in a junior or senior high requires an assistant principal administering at least one-half time.
 - greater than 650 students in an elementary school requires an assistant principal administering at least one-half time
- . 3 days of professional development per year per teacher.
- . School days
 - 2 hours for kindergarten/pre-school
 - 4 hours for grades 1-3
 - 6 hours for grades 4-12

. Teacher load

high schools and junior highs 4 full-time teachers plus administrator

M.S. & 7-8 > 60 students 3 full-time teachers plus administrator

7-8 < 60 students 2 1/2 full-time teachers plus administrator

7-12 < 30 students (phys..ed & typing < 45) (no size limits for music classes)

No teacher has > 29 hours of teaching per week

< 160 students per teacher per day (music excepted)

multigrade - 1-3 < 20 students

multigrade - 4-6 < 24 students

multigrade - 7-8 < 26 students

Single grade kindergarten < 24 students

Single grade 1-2 < 26 students

Single grade 3-4 < 28 students

Single grade 5-8 < 30 students

One teacher schools < 18

No teacher has > than 28 hours of teaching per week

. Basic Instructional Program

> 20 units for high school graduation

Course requirements for graduation

Language arts: 4 units

American History: 1 unit

American Government: 1/2 u nit. A 2-unit course in American history and American democracy, which includes a study of government, may be used to meet the American history and government requirements.

Mathematics: 2 units

Laboratory science: 1 unit

Health and physical education: 1 unit. A school must offer at least a two-year program of physical education and specific instruction in health, the content to be adjusted to provide for earning one unit of credit during the two-year period. Students must take health and physical education for two years. Participating in interscholastic athletics cannot be utilized to meet this requirement.

The basic instructional program for each high school shall be at least 16 units of course work which shall include at least those given below:

Language arts: 4 units. The basic minimum program in the four skills of communication (speaking, listening, reading and writing) is required each year.

Social sciences: 2 units

Mathematics: 2 units

Science: 2 units

Health and physical education: 1 unit. A school must offer at least a two-year program of physical education and specific instruction in health, the content to be adjusted to provide for earning one unit of credit during the two-year period. Students must take health and physical education for two years. Participation in interscholastic athletics cannot be utilized to meet this requirement.

Fine arts: 1 unit. Fine arts include music, art, and drama.

Practical arts: 2 units. Practical arts includes home economics education, industrial arts, business education and agriculture.

Two electives.

Basic instructional program for junior high school, middle school, and grades 7 and 8 budgeted at high school rates must offer:

Language arts: 3 units in junior high and 2 units for middle school, and 7th and 8th grades.

Social sciences: 3 units in junior high and 2 units in middle school and 7th and 8th grades.

Social sciences: 3 units in junior high and 2 units in middle school and 7th and 8th grades.

Mathematics: mathematics offerings are to include both algebra and general math in grade 9. Three units in junior high and 2 units in middle school and 7th and 8th grades.

Health and physical education: 1/2 unit each year in junior high and 1/2 unit each year in middle school and 7th and 8th grades.

Art: 1/2 unit each year in junior high and 1/2 unit each year in middle school and 7th and 8th grades.

Music: 1/2 unit each year in junior high and 1/2 unit each year in middle school and 7th and 8th grades.

Practical arts (includes home economics, industrial arts, business education and agriculture); 1/2 unit each year in junior high and 1/2 unit each year in middle school and 7th and 8th grades.

If the middle school program for grades seven and eight is funded at high school rates, it shall include:

Art: art history, art criticism, aesthetic perception and production.

English language arts: reading, writing, listening and speaking.

Health and physical education.

History, social and behavioral sciences.

Mathematics: written and mental computation and problem solving.

Music: general, instrumental and vocal (emphasizing comprehensive music elements, music history, criticism, aesthetic perception and music production).

Physical and natural sciences.

Practical arts: e.g., agriculture, business education, home economics, industrial arts.

Exploratory courses: e.g., creative writing, dance, drama, foreign language, photography.

Basic Instructional Program: Elementary

Language arts including reading, literature, writing, speaking, listening, spelling, penmanship and English.

Arithmetic, written computation and problem solving.

Science, ecology and conservation.

Social sciences, including geography, history of the United States, history of Montana, agriculture and economics. Contemporary and historical traditions and values of American Indian culture may also be included.

Fine arts, including music and art.

Physical education.

Safety, including fire prevention as outlined in state statutes.

Health education.

. Librarians

K-12 < 100 students - 1 1/2 hours day

K-12 101-300 3 hours day

7-12 301-500 1 full time librarian

plus one library aide (or a volunteer)

7-12 501-1000 1.5 librarians

1001-1500 2.0 librarians

1501-2000 2.5 librarians

2001-2500 3.0 librarians

plus one library aide for each librarian or a volunteer

Elementary schools > 4 teachers require 1 librarian per 800 students

Minimum expenditures

Funding: high school, junior high school, middle school and 7th and 8th grade funded at high school rates

50 or fewer	\$	900		
51-100		1,440		
101-200		2,800		
201-500		3,600	(or	\$9.00 per
student, whichever is greater.)				
501-1,000		5,400	(or	\$7.20 per
student, whichever is greater.)				
1,000-1,800		7,200	(or	\$6.30 per
student, whichever is greater.)				
1,801+		10,800	(or	\$5.40 per
student, whichever is greater.)				

A minimum of \$1.80 per student shall be expended for media software.

Funding: Elementary

300 or fewer	\$8.10 per student or
	\$180, whichever is
	greater.
Over 300	\$2,430 plus \$4.50 per
	student over 300 enrollment.

A minimum of \$1.80 per student shall be expended for media software.

. Guidance and Counseling 7-12

A minimum equivalent of one full-time counselor for each 400 students shall be provided. All schools must have a counselor assigned for at least one hour a day or five hours per week.

A separate room specifically designed for guidance and counseling shall be provided.

Adequate space and facilities for clerical assistance shall be provided.

A guidance library shall be provided which is available to all students.

. Special Education

General

Handicapped children are provided opportunities to become confident, dignified and self-sufficient members of society.

To the maximum extent possible, and when appropriate, handicapped children are educated with non-handicapped in the district in which they live.

A child receives special education only when documentation shows that the child cannot be appropriately educated in the regular program.

A current individualized education program is prepared for each student receiving special education and/or related services.

Itinerant and Resource Room Services

Direct services are provided to students with handicaps who are enrolled in the regular education program for more than 50% of the school day.

Ongoing consultation and communication are provided by the itinerant and resource personnel to the student's regular teacher(s).

Self-Contained Instruction

Direct services are provided to students enrolled in special education for more than 50% of the school day.

Students in self-contained placement participate with regular students to the maximum extent appropriate.

Each student who has successfully completed an identified educational program must receive a diploma. The official transcript will indicate the specific courses taken and level of achievements.

. School Plant

There are general school plant requirements that needn't be detailed here.

VISITORS' REGISTER



DATE: June 1, 1989

NAME	REPRESENTING	BILL #	Support	Oppose
Ernie Jean	Florence Scherl			

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY