

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON EDUCATION & CULTURAL RESOURCES

Call to Order: By **CHAIRMAN RAY PECK**, on January 15, 1991, at 8:00 a.m.

ROLL CALL

Members Present:

Rep. Ray Peck, Chairman (D)
Sen. Greg Jergeson, Vice Chairman (D)
Sen. Don Bianchi (D)
Sen. H.W. Hammond (R)
Rep. Mike Kadas (D)

Members Excused: None

Members Absent: Rep. Larry Grinde (R)

Staff Present: Pam Joehler, Senior Fiscal Analyst (LFA)
Skip Culver, Associate Fiscal Analyst (LFA)
Doug Schmitz, Budget Analyst (OBPP)
Mary Ann Wellbank, Budget Analyst (OBPP)
Melissa Boyles, Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: **CHAIRMAN PECK** stated that the trip to Flathead Valley Community College was scheduled for Friday the 18th. The subcommittee will meet at the Capital at 7:30 a.m. A van will go to the airport and leave the airport by 8:00 to get to Kalispell by 9:00 a.m.

CHAIRMAN PECK distributed a letter to the subcommittee from **Mr. Prickett, MSDB**. It breaks down the total enrollment shows the total number served, and whether they are campus or outreach service pupils. **EXHIBIT 1**

CHAIRMAN PECK stated that if any committee member is not going to Kalispell on Friday to let him know. Mr. Toppin from the Commissioners office will go.

CHAIRMAN PECK stated that the Chairman from the Appropriations Committee asked why the subcommittee used General Fund Money when we could use Long Range Building Fund. He suggested that the Subcommittee reconsider their action and tell the MSDB to get that MOD into Long Range Building so we can save General Fund Money. **CHAIRMAN PECK**

Building so we can save General Fund Money. **CHAIRMAN PECK** asked the analyst to remind him of that on the next day of Executive Action.

SEN. HAMMOND stated that he had thought they had made application for that in Long Range. **CHAIRMAN PECK** said they have one over in Long Range and thought this one was different because it was for maintenance repair. The Chairman from the House Appropriations said that you shouldn't do that if you can get Long Range to fund it.

SEN. JERGESON asked when Long Range would be making those decisions so the subcommittee would know. **CHAIRMAN PECK** stated he did not know.

HEARING ON OPI DISTRIBUTION TO PUBLIC SCHOOLS PROGRAMS

Tape No. 1

041

Nancy Keenan stated that she would like to finish the issues on the Foundation Program from the January 11, 1991 meeting. **Ms. Keenan** distributed and reviewed handouts, **EXHIBIT 2** Issues on flow-through Program 09, and **EXHIBIT 3** Projected Expenditures FY92 and FY93.

REP. KADAS stated that the foundation program includes Special Ed. Do you want to put transportation into that group or do you want to take the money. **Greg Groepper** stated that OPI would like to have appropriations out of the fund for transportation.

REP. KADAS stated that if the Foundation Program fund is short they would have to come back for a supplemental. **Mr. Groepper** said yes.

142

CHAIRMAN PECK stated that under law we are obligated to fund the Foundation Program. Are we obligated to fund all of the transportation schedules. **Mr. Groepper** stated that the transportation schedules are in statute. **CHAIRMAN PECK** asked if there was an out in there that said inadequate funds allowed you fund a percentage of. **Mr. Groepper** said no.

REP. KADAS asked **Mr. Groepper** if he had figured out the numbers for anticipated expenditures in the proposed change on transportation. **Mr. Groepper** stated that he doesn't have that information with him but it is approximately 1.8 million per year. **Mr. Groepper** stated that you make up some difference because all you are replacing is the elementary district levy.

CHAIRMAN PECK stated that **SEN. VAN VALKENBURG** is dropping that bill in the Senate. **CHAIRMAN PECK** stated that in the committee

out of which that came, House Bill 28 Implementation Committee, **CHAIRMAN PECK** stated that he moved to fund schedules at 100% like the Foundation program. The purpose in that was that it would tend to equalize levies more. **CHAIRMAN PECK** stated that total cost went up 7 million if they went to 100% funding of schedules. **Mr. Groepper** stated that if you funded 100% of the schedules it would be approximately 16.5 million.

SEN. HAMMOND asked what the total cost was. **Mr. Groepper** stated that 50% of on schedule cost is 80 cents per mile. **SEN. HAMMOND** asked if the local district has to pick up the shortages. **Mr. Groepper** said yes and that anything above the schedules they will have to pay as well.

210

Nancy Keenan stated that the first thing that needed to be done towards equalization of transportation was to get us on one schedule.

SEN. HAMMOND asked if the only difference was that in high school transportation the County picks up 2/3 and the local district 1/3. **Ms. Keenan** said yes. **Mr. Groepper** stated that it is the State that picks up the 1/3 not the local district.

Mr. Groepper stated that at 50% using FY90 including special education transportation it is estimated at 9.1 million annually. Under current law we are estimating FY91 cost, stated on schedule and the foundation program would, be 10.8 million. The on schedule for FY91 under existing law would be 6.46 million.

Ms. Keenan reviewed the last page of **EXHIBIT 2**, Motions Requested for Program 9.

HEARING ON OPI OPERATIONS

Ms. Keenan stated that there were three parts to their presentation. Explain the differences between the LFA and the Governors budget, present MODS and explain their priorities, and present other issue MODS that were inadvertently omitted from the LFA book.

Ms. Keenan stated that in 1981 OPI was authorized 168.1 FTE by 1991 their authorized level of staffing dropped to 124.4 FTE a reduction of 26%. In that same time period the financial and programmatic responsibilities have increased.

306

Ms. Keenan distributed and reviewed OPI Budget Request Book pg. 13 and 14. **EXHIBIT 4**

Greg Groepper distributed a handout describing the responsibilities of OPI. **EXHIBIT 5**

Ms. Keenan stated that she brought the statutory responsibilities of OPI to the committees attention because they can not meet the responsibilities with their present staffing level.

Ms. Keenan stated that she has to explain to the Audit Committee because they don't think OPI is doing a thorough enough job following up on Equalization Payment Adjustments. **Ms. Keenan** stated that the Audit Committee is right, OPI can't manage that program with only two FTE.

Ms. Keenan stated that the OPI budget would be easier to understand if programs 1, 5, and 6 were in one program. **Ms. Keenan** stated that OPI presently has 3-4 programs and with staff being so small they have very little flexibility.

Ms. Keenan stated that once you take out the Audit cost of \$45,000 in FY90 the General Fund only increased \$14,000 from FY90 to FY91.

337

REP. KADAS asked if OPI was asking to do an office reorganization. **Ms. Keenan** stated that OPI would like to make programs 1, 5, and 6 a single program.

350

CHAIRMAN PECK asked that when we get to Executive Action that all requests be listed for the subcommittee. **Mr. Groepper** stated that the motions for program 9, **EXHIBIT 3** is a summary of the issues OPI would like addressed. **Mr. Groepper** stated that they would also have a list for programs 1, 5, and 6.

CHAIRMAN PECK stated that he would like to consider first anything that is a general request, that would cover all programs and then go into specific programs and the request for each of those.

Greg Groepper reviewed the six issues the LFA raised on page E15 of the LFA book **EXHIBIT 6**. **Mr. Groepper** stated that OPI would like to justify why they need these issues resolved.

Kathy Fabiano distributed a Generally Accepted Accounting Principals Fact Sheet. **EXHIBIT 7**

Mr. Groepper stated that they would like to see the reinstatement of the \$356,000 biannually and 4 FTE. This would be an increase of 2 FTE over the Governors appropriation but no additional money.

CHAIRMAN PECK asked if the Governor had it in his budget. **Mr. Groepper** stated that the Governor had the \$356,000 split in half, half each year of the biennium and 2 FTE. **CHAIRMAN PECK** stated that the Governor was supposed to be driving off the appropriated base for this year, but he didn't pick up the additional FTE?

Mr. Groepper stated that the Governor did his budget in the summer. OPI had to go to the budget office and get an FTE but because their request was subsequent to their work on the budget it fell through.

Mr. Groepper stated that Issue 2 deals with Vocational Education and Chapter 1. **Mr. Groepper** asked that the subcommittee set this issue aside until we know how much money is allowed for Higher Education and Vocational Education. **Mr. Groepper** stated OPI would like to have the one FTE in Chapter I be reinstated.

CHAIRMAN PECK stated he felt Carl Perkins Funding was an ongoing problem that would impact other areas of the budget and the committee would wait till that got filled in from the Commissioner's Office.

532

Mr. Groepper stated that he was going to put the next four issues together, equipment, transfer to indirect cost pool, contracted services, and travel. **Mr. Groepper** distributed and reviewed a handout on Programs, 01, 05, and 06. **EXHIBIT 8**

Mr. Groepper stated that the reason for speaking about a single program is the agency was allowed FY91 appropriated and OPI could adjust their priorities from one program to another. In issues Contracted Services, Equipment, and Travel, OPI adjusted their priorities from one program to another. **Mr. Groepper** stated that they cut Equipment by \$112,000 increased Travel to reflect their needs to travel more for accreditation, and increased Contracted Services.

Mr. Groepper stated that OPI needs to be back where they were at with the Governors Budget. **Mr. Groepper** reviewed the increases in program 01, Contracted Services, 05, Equipment, and 06, Travel. **EXHIBIT 8**

Mr. Groepper stated that LFA current level budget is approximately \$207,000 less than executive current level.

650

CHAIRMAN PECK asked **Mr. Groepper** if he took the difference from actual of FY90 and the FY92 and FY93 and saying that is the \$207,000. **Ms. Keenan** stated that the \$207,000 is what the LFA has recommended below the Governors Office. **CHAIRMAN PECK** stated that LFA took actual expenditures and the Governor took the appropriated figures for the next year. **Mr. Groepper** stated that the Governor goes beyond expenditures and accounts for inflationary adjustments.

Mr. Groepper stated that computer services has gone up from \$20. a machine per month to \$40. OPI was not aware of this happening so they added money into their other issues at current level cost of \$20.

711

CHAIRMAN PECK stated that the Office of Budget agreed to use the LFA inflation figures.

REP. KADAS stated that, that doesn't include data processing charges. Once it is decided LFA will automatically put that in. **REP. KADAS** stated that he didn't feel OPI should worry about it at this point.

749

Greg Groepper stated that the only issue in Contract Services would be to allow the Superintendent an increase in Contracted Services.

REP. KADAS asked why OPI needed more money for Contracted Services in the Superintendents office. **Mr. Groepper** stated that the \$4,500 reflects the fact that curriculum is in the superintendents budget. **REP. KADAS** stated that part of it comes out of some place else. **Mr. Groepper** said yes, because the LFA has these three major issues you'd find in the second and third level areas of OPI budget other places they have cut to pay the contracted services. **Mr. Groepper** stated that the General Fund only changes \$14,000 from FY90 to FY91.

SEN. HAMMOND asked where the money came from before to pay the accreditation services. **Mr. Groepper** stated that if you look at how much was spent in 90 and how much was asked for in 91 you'll find a lot of areas that went up and down.

CHAIRMAN PECK stated that the subcommittee needs to look at the FTE figures. **Ms. Keenan** stated that OPI is statutorily required to have model curriculum guides. The last printing of Communication Arts was \$7,500 for printing of one area of curriculum.

CHAIRMAN PECK stated that the Subcommittee needs to adjourn at 10:15 am.

Mr. Groepper stated that they would bring the figures where they cut in these areas to satisfy **SEN. HAMMOND**.

811

Mr. Groepper stated that in FY90 OPI spent approximately \$192,000 on Equipment. OPI requested \$80,000 each year of the biennium. **Mr. Groepper** stated that the LFA current level budget for equipment is \$60,000 less than executive current level. **Mr. Groepper** stated that OPI feels they need the \$60,000 for equipment reinstated from LFA. **CHAIRMAN PECK** asked if the \$60,000 is the difference between LFA and the Governor. **Mr. Groepper** stated yes.

Mr. Groepper stated that they are not proposing to increase Travel except for inflation.

CHAIRMAN PECK stated that two years ago there was a sizable increase in travel. **Mr. Groepper** stated that he didn't know how much or if there was an increase. **CHAIRMAN PECK** asked Skip Culver to check on the increase from FY89 to FY90.

SEN BIANCHI asked Mr. Groepper why OPI is shifting out the additional travel from the Educational Services into the Superintendent and Administrative Services. **Mr. Groepper** stated that there is increased travel in the Superintendents office for certification and accreditation. **Mr. Groepper** stated that Administrative Services is not really increasing but that OPI has a different set of responsibilities this year that will cause OPI to charge it to program 05. **Mr. Groepper** stated that it would be inappropriate to charge it to HB 28 implementation.

CHAIRMAN PECK asked Mr. Groepper if they were new responsibilities. **Mr. Groepper** said no.

Mr. Groepper stated that the LFA office asked OPI to identify issues that weren't identified in the Executive Budget. **Mr. Groepper** distributed and reviewed a handout on Issues. **EXHIBIT 9**

Mr. Groepper stated that OPI would like the \$61,000 in fees already collected to be reinstated. **Mr. Groepper** stated that the fees collected in one FY will pay for conferences in the following FY. **CHAIRMAN PECK** asked Mr. Groepper if OPI is asking for spending authority for the fees they have collected. **Mr. Groepper** said yes.

SEN HAMMOND asked if they had already put \$61,000 in. **Mr. Groepper** said yes.

979

SEN. HAMMOND asked what other Agencies do. **Mr. Groepper** stated that he thought other agencies take the money in and abate expenditures.

SEN BIANCHI asked why the Legislature is so concerned about the State Special Fund. **CHAIRMAN PECK** stated that the Legislature is concerned about earmarked accounts.

Mr. Groepper stated that Gail Gray was going to address the issues of Audiology, Accreditation, and Curriculum Staff general funding.

Ms. Gray stated that the Hearing Conservation Program provides for the auditory needs of children from birth to 21 years old. The provisions include identification, referral, evaluation, program advise, parental advise and follow up. **Ms. Gray** stated that it does not include the cost of the teachers of the hearing impaired. **Ms. Gray** stated that public law 91-142 requires that we search for and identify handicap children.

Ms. Gray stated that the Legislative body has always provided a general fund appropriation for the Audiology Program. In 1982-1983 school year it was over 3/4 of a million dollars. **Ms. Gray** stated that since that time it has been substantially streamlined.

This year there is an appropriation of \$311,000 which has been supplemented by US West who has put in approximately \$124,000.

Ms. Gray stated that US West Corporate giving contribution policy has changed and they are going into other areas. OPI has been informed that US West will no longer be able to contribute that to the Audiology Program.

Ms. Gray stated that they have tried to find other private resources, they have submitted 24 applications to various foundations for supplemental money. **Ms. Gray** stated that they have 21 outright rejections and 2 that are probably rejections and 1 donation from the Burlington Northern Foundation for \$8,500.

Ms. Gray stated that they were asking the subcommittee to consider a General Fund appropriation pick up the amount of money that US West will no longer be able to provide for this program.

SEN. BIANCHI asked **Ms. Gray** if she was requesting \$136,000. **Ms. Gray** stated that it was actually \$124,000 but they need to get another \$12,000 because the providers of the Audiologist won't do it for the same amount any more.

Barbara Ranf, US West Communications, stated that in 1985 the Mountain Bell Foundation developed a rural speech and hearing program outreach program. The program provided hearing and speech testing, and screening and referral to preschool and elderly individuals. In 1987 the program was brought into Montana and joined OPI to expand services rather than duplicate services. **Ms. Ranf** stated in the four years of the program US West grants have totaled \$460,000 and go to 11 local areas. Through a series of interviews with customers and employees designated new focus areas for giving. The rural speech and hearing program did not fit within those areas. At that time US West notified OPI, University of Montana and the eleven agencies that they would be discontinuing funding this year. **Ms. Ranf** stated that funding will end on June 30, 1991. **Ms. Ranf** stated that the partnership with OPI, US WEST and the agencies has been very positive and beneficial to the State.

CHAIRMAN PECK asked **Ms. Ranf** to extend the thanks of the subcommittee to US West for the support they have given for four years.

127

Sue Toth stated that she was the State coordinator for the US West grant this last year. **Ms. Toth** stated that this program catches hearing loss early. Over 50% of children will have had

at least one episode of Otitis Media by the age of one, 35% will have repeated episodes by the age of one and three. If left untreated will be dealing with speech and language delays or permanent hearing loss. **Ms. Toth** stated that you can spend money now to maintain the program at its proper funding or spend more money later to rehabilitate these children.

Ms. Toth stated that last year over 17,000 infants and preschoolers were screened. Over 1,000 received hearing evaluations, and over 1,600 received medical referrals. Including children and adults 83,500 were screened.

Roxanne Bannach, Audiologist for the Hearing Conservation Program, stated that she serves 5 counties and works with 40 children that wear hearing aids. If the program does not continue the parents of these 40 children will have to fund all of their hearing evaluations, and new hearing aids. **Ms. Bannach** stated that the hearing evaluations cost a lot of money and the parents need the extra help. **Ms. Bannach** stated that she not only works with the hearing impaired she also screens children and will be screening preschool kids for the next few months.

CHAIRMAN PECK asked if the usual Family Practitioner will not spot this in preschoolers. **Ms. Bannach** stated that they can possibly find Otitis Media but unless the parent is telling the Doctor that their child is not responding the Doctors are not going to do anything. The Doctors are not equipped.

CHAIRMAN PECK stated that it is partly parental lack of knowledge. **Ms. Bannach** said yes, and stated that it is part of her job to go and talk to the parents.

Nickie Eck stated that her four year old son, Evan, was born with a severe bilateral hearing impairment. Evan is using the audiology services at Jefferson School provided by the hearing conservation program. **Ms. Eck** stated that the professionals in the Helena area that she was aware of were not prepared to diagnose a young child. **Ms. Eck** stated that the hearing conservation program was the only place for her family to get help and they rely heavily on the program provided at the school district. **Ms. Eck** stated that Evan wears a hearing aid in both ears and an auditory trainer box. The service at Jefferson School makes sure his equipment is functioning. Evan is not able to let people know if his equipment is not working. **Ms. Eck** stated that ear molds for the inner ear have to be changed every time your child shoe size changes. **Ms. Eck** stated that the Federal Government is looking at the needs and right of impaired people and the State needs to back our Government and provide the support needed.

267

Glenda Stroup stated that without the services her son would not be doing as well as he is in school or at home. Because of the cost of these services without this program Mark would have to go

without some of the services. **Ms. Stroup** stated that Janet, the Audiologist, keeps in touch with Mark's teacher, and goes to IEP meetings. **Ms. Stroup** stated that this program eases the frustration and makes a big difference on how well the child does.

296

Lynn Donnelly stated that her five year old daughter with Downs Syndrome has a severe speech delay. Approximately 2 years ago they started tests with the Audiologist and determined she had hearing loss. Since that time she has gone through two sets of tubes. Last week she started using a auditory trainer box and is already saying words more clearly. **Ms. Donnelly** stated that they have seen the professional audiologist in Helena and feel they are not equipped or specialized in young children.

320

Mona Jamisin urges the committee support for the funds to make up the amount US West is no longer contributing.

Tape No. 2

329

SEN. BIANCHI asked if the 6 month transitional funding is definite. **Ms. Ranf** said yes.

SEN. HAMMOND asked what the average cost of screening per child. **Merle Devoe, Coordinator**, stated that the initial screening is done by the local school district. The average cost would be \$2. to \$3.

SEN. HAMMOND what effort has been made to work through the Ear, Eyes, Nose and Throat Doctor who visit the areas. **Roxanne Bannach** stated that they work very closely with Physicians. If we find a problem we make a medical referral. **Merle Devoe** stated that there is close communication between the program staff and the ENT community.

SEN. HAMMOND asked if there were overlapping. **Mr. Devoe** said he didn't think so.

SEN. HAMMOND asked why US West became interested in the Speech and Hearing Program. **Barbara Ranf** stated the being a telecommunications company anything they could do to facilitate speech and hearing fit naturally with their industry and was natural to pursue through their charitable giving program.

CHAIRMAN PECK asked **Ms. Gray** if they ever figured up the cost per child for their annual preschool round-up? **Ms. Gray** stated that they provide very little funding for the annual child find; they do not have any figures on that.

CHAIRMAN PECK asked Ms. Gray what happened to the Sound Chamber, for testing ears, in Havre. **Ms. Gray** stated that a number of the Sound Chambers have simply worn out.

SEN. BIANCHI asked Ms. Gray if they were going to try and follow through with the interim funding with US West before the budget is approved. **Ms. Gray** stated that they were going to pursue all avenues of funding.

432

SEN. HAMMOND asked if Ms. Gray would decrease the General Fund by whatever she gets from private donation. **Ms. Gray** said yes.

442

Gail Gray stated that the Department of Curriculum Services, includes eleven subject area curriculum specialist who perform duties by state law that are required of the Superintendent of OPI. These jobs consist of instructional assistance, in-service training, consultation, maintenance in the publication of curriculum guides and performing on site accreditation visitations.

Ms. Gray stated that the actual people who go out and do the onsite visitation are the subject area specialists. The specialists are assigned in the following areas Math, Science, Elementary Curriculum, Foreign Language, Social Studies, Art Education, Library Media, Gifted and Talented, Language Arts Reading and Health Enhancement. **Ms. Gray** stated that the staff provides services to over 9,500 teachers in schools. **Ms. Gray** stated the importance to note that half of those teachers are elementary teachers and they need the staff in all of the curriculum areas.

Ms. Gray stated that last year the specialist provided over 400 in-service training sessions, answered approximately 25,000 telephone contacts, 600 electronic communication contacts and conducted 1000 onsite school visitation consultations.

Ms. Gray stated that the total current level budget for these 11 curriculum specialist is approximately \$915,000 of which \$465,000 is paid for with Chapter 2, Federal Funds. Chapter 2 funds were originally set up in the FY82 and FY83 school year. When they were given to the State of Montana they were suppose to be able to do what ever they wanted within certain constraints. **Ms. Gray** stated that as a result of the re-authorization one year ago their flexibility has diminished. As a result they can only do things in the area of effective schooling and targeted assistance.

Ms. Gray stated that the Chapter 2 funds have gone down \$42,000 in the last six or seven years. Therefore, Superintendent Kennan is requesting a curriculum area specialist be funded fully out of General Fund, or State Special Revenue. This would remove federal restrictions and it would allow the effective Schools

Programming to be done in the way it is suppose to be, as a supplemental service.

520

Ms. Keenan stated that if the State of Montana insists we do these things than we have to stop using Federal money to fund state statute required curriculum staff.

584

Ms. Gray stated that the division of Special Education supervises, monitors, coordinates, and provides fiscal direction for the provision of special education to the 15,700 handicap students in Montana schools. **Ms. Gray** stated that there is over \$33 million in state funds and additional contingency funds as well. The total amount of state effort in terms of staffing for special education is one person in the director position.

Ms. Gray stated that the federal monitors that have been here visiting have questioned why we have put 11 people on federal funds and 1 person on state funds. **Ms. Gray** stated that there is no secretarial staff on State money. As there are more requests and on site monitoring it is getting more and more difficult to carry out the responsibilities. **Ms. Gray** stated that all of this work is done by 2 people and **OPI** feels that they need an additional person in the area of accreditation funded by general fund money.

Ms. Gray stated that they would like the subcommittees support for additional services. This would be for grants that go for demonstration for training and conferences to students who are at risk of failure in rural areas.

Ms. Gray stated that as a result of the Ridgeway Vs. Montana High School Association and others, including **OPI**, they are under federal court order to perform certain types of activities that are related to gender equity each year to all school districts. Detailed on Pg. 45, **Exhibit 4**. **Ms. Gray** stated that none of the increases have been funded due to an increase in the federal funding. The provision of state funding is necessary in order to meet the court mandate and to avoid litigation. Therefore **OPI** is requesting for an additional .5 FTE and some additional operating costs for conferencing and some training in the area of gender equity.

678

Ms. Keenan stated that the gender equity and at risk rural are priority #2. Basically accreditation curriculum staff, general fund, and Indian Education Special Education Staff are priority #1.

685

REP. KADAS asked which priority one was more important. **Ms. Keenan** stated that all topics in priority #1 are equally important.

689

Ms. Keenan stated that the Indian Education Specialist is currently funded out of a grant. There are approximately 13,000 school age Indian children attending public schools in Montana. Most of these children attend schools in 36 districts on or near a reservation. **Ms. Keenan** stated that state funding for this position would send a message to the education community that there are special needs of our Indian students.

Ms. Keenan stated that Indian students have a very high drop out rate, their achievement test scores lag behind their non indian counterparts in their schools.

731

CHAIRMAN PECK asked how the .5 FTE is paid right now. **Ms. Keenan** said it comes from General fund. **Ms. Keenan** stated they want to go total general fund.

749

CHAIRMAN PECK introduced Bob Parsley, Indian Education Supervisor. **Mr. Parsley** stated that he has been with OPI for 18 years. **Mr. Parsley** said it is his hope that they get a solid source of funding for this position. **Mr. Parsley** stated that it's an important position and he feels Indian people state wide will appreciate it if it's funded.

779

Greg Groepper distributed and reviewed a handout on FTE. **EXHIBIT 10.** **Mr. Groepper** stated that in 1981 OPI has 170.6 authorized FTE now in 1991 their is 124.4 FTE. **Mr. Groepper** stated that due to the loss in FTE OPI is finding that their are some things they just can't do. **Mr. Groepper** stated that OPI has an Audit exception from the Legislative auditor because they are not going back as efficiently as they would like. The result of this is that OPI have has to wait and see what the 55 mills generate and they don't know that until the end of the year. Based on that they have to adjust the foundation program payments.

810

Greg Groepper distributed and reviewed a handout on Data Processing Staffing. **EXHIBIT 11**

Mr. Groepper stated that the Industry standard is to have one person for every 40 devices on the network. There are two people assigned to the network. **Mr. Groepper** stated that they would like two additional people to put on their network system, to make sure it stays up and to make sure they are able to support the school districts electronically. **Mr. Groepper** stated that they need two people on the network and two people communicating with the schools.

967

SEN JERGESON asked if housaing with MHESAC was brought up as a subject. **Ms. Keenan** stated that it was brought up superficially, but because of the funds they were using **OPI** could not participate with them.

977

SEN BIANCHI asked if the building proposal was put into Long Range Building. **Mr. Groepper** said it is in Long Range Building.

983

CHAIRMAN PECK stated that the only way the committee could get involved is if they could identify facilities that could be rented.

990

Mr. Groepper stated that they have identified a building in town that works but at this time they have more important priorities.

Mr. Groepper stated that **OPI** would like to be able to spend the fees they collect from library services provided by the resource center. **Mr. Groepper** stated that they would like to use it to upgrade the resource center library so it could communicate electronically to the school districts.

CHAIRMAN PECK asked if that was money they had that they wanted spending authority on. **Mr. Groepper** said yes.

ADJOURNMENT

Adjournment: 10:15 a.m.



REPRESENTATIVE RAY PECK, Chair



MELISSA J. BOYLES, Secretary

RP/mjb

HOUSE OF REPRESENTATIVES

EDUCATION SUBCOMMITTEE

ROLL CALL

DATE

1-15-91

NAME

PRESENT

ABSENT

EXCUSED

REP. RAY PECK, CHAIRMAN	✓		
SEN. GREG JERGESON	✓		
REP. LARRY GRINDE			✓
SEN. DON BIANCHI	✓		
REP. MIKE KADAS	✓		
SEN. H.W. "SWEDE" HAMMOND	✓		

HR:1991

CS10LRLCALED SUB

EXHIBIT 1

DATE 1-15-91

HB Ed. & Curr. Res. Sub.

MONTANA SCHOOL FOR
THE DEAF AND THE BLIND



STATE OF MONTANA

3911 CENTRAL AVENUE

GREAT FALLS, MONTANA 59401

(406) 453-1401
VOICE/TDD

STAN STEPHENS, GOVERNOR

BILL PRICKETT, SUPERINTENDENT

January 11, 1991

Representative Ray Peck
% State Capitol
Helena, MT 59620

Dear Representative Peck:

Enclosed is revised list of the children served by M.S.D.B., by county. I have broken out the number served on campus at Great Falls and the number served at home in the counties by our outreach program. Hopefully this will clean up the confusion I inadvertently created with my original list.

If you have any questions about this list or any other matter, I can be reached at 761-3251 (home) on Saturday and Sunday.

Sincerely,

A handwritten signature in cursive script that reads "Bill Prickett".

BILL PRICKETT
SUPERINTENDENT

BP/bl

MONTANA SCHOOL FOR THE DEAF AND THE BLIND



STATE OF MONTANA

3911 CENTRAL AVENUE

GREAT FALLS, MONTANA 59401

(406) 453-1401
VOICE/TDD

STAN STEPHENS, GOVERNOR

BILL PRICKETT, SUPERINTENDENT

CHILDREN SERVED BY M.S.D.B., BY COUNTY

<u>COUNTY</u>	<u>TOTAL NUMBER OF CHILDREN SERVED</u>	<u>NUMBER SERVED ON CAMPUS</u>	<u>NUMBER SERVED BY OUTREACH</u>
Beaverhead	4		4
Big Horn	5		5
Blaine	1		1
Broadwater	1		1
Carbon	2		2
Cascade	101	52	49
Choteau	4	3	1
Columbia Falls	1		1
Custer	1		1
Dawson	4		4
Deer Lodge	2	1	1
Fallon	2		2
Fergus	4	1	3
Flathead	24	5	19
Gallatin	18	4	14
Glacier	5	4	1
Granite	2	1	1
Hill	4	1	3
Jefferson	1		1
Lake	6		6
Lewis & Clark	21	8	13
Lincoln	4		4
Madison	1		1
McCone	1		1
Meagher	1		1

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Mineral	1		1
Missoula	19	3	16
Park	3		3
Petroleum	2		2
Pondera	1		1
Powell	3	1	2
Ravalli	5		5
Richland	8	1	7
Roosevelt	2	2	
Rosebud	6		6
Sanders	7	1	6
Sheridan	1		1
Silver Bow	12	3	9
Stillwater	1	1	
Teton	3	1	2
Toole	3		3
Valley	5	3	2
Yellowstone	<u>29</u>	<u>4</u>	<u>25</u>
TOTAL	331	100	231



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OFFICE OF PUBLIC INSTRUCTION

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

Nancy Keenan
Superintendent

OFFICE OF PUBLIC INSTRUCTION
ISSUES ON FLOW-THROUGH PROGRAM 09

January 11, 1991

Well, here we are again. It's hard to imagine it has been two years, almost to the day we were presenting our budget for the present biennium.

All I can say is we must be being rewarded for the good job we did last time. If you recall our budget hearing was 8 days into the session in 1989. This year, because we're "experienced", we're before you on the 5th day of the session.

Today we're going to discuss the programs my office administers involving funds which "flow through" my office to the school districts. The table on page E-28 in the LFA book is a little confusing because of the traditional way this program has been handled. I added to the confusion by including in my budget request to the Governor inflationary increases for the "new foundation program" (ANB and special education) + Guaranteed Tax Base (GTB), GTB retirement, and Gifted and Talented. You'll see those requests on page E-19.

To make things easier to follow, I would ask that the Foundation program, GTB, and GTB retirement be included now in the Distributions to Schools table on E-28. I would at least like to see them in now at current level, which the Governor and LFA agree on, so the discussion can be confined to levels of increase.

For your information I have included updated estimates on the cost of these three programs based on the most current information. My proposal, made to the Governor's Office last January was for an inflationary adjustment in Foundation, GTB, GBT retirement, and a step towards eventually spending similar amounts on Gifted and Talented as we do on Special Education. I think an inflationary adjustment is absolutely critical if we are to avoid heading in the direction of another underfunded lawsuit.

Mr. Chairman, I'm not sure how you would like to handle public testimony on these three areas of our budget. We have some folks here from SAM, MEA, MSBA, CASE and AGATE who are interested in supporting our proposals in these areas.

Agenda for foundation program/ GTB

Nancy Keenan- Introduction/ Why an inflationary increase makes sense

Schools have costs they cannot control

Health insurance

Utilities

Fuel costs

Textbooks

Honor commitment made to continued level of funding

Avoid future litigation,

Other presenters

Board of Public Education

MEA

SAM

MSBA

Agenda for Gifted and Talented

Gail Gray-Introduction Rationale for increased funding (statutory?)

Michael Hall

AGATE

Agenda for Special Education

Gail Gray - Introduction

Bob Runkel- Increased costs over base (optional)

CASE

Other Issues to Bring to the Committee's Attention

There is approximately \$90,000 annually in Chapter 1 flow through which needs to be added to the distribution on E-28. These federal funds were approved by the Governor's Office as a modification to our Educational Services Program; because they are "flow through" funds, they belong in the Distributions to Schools Program.

We have a handout for the committee which lists our "current best estimates" for FY92 and FY93 available funding levels for the federal discretionary grants listed in the table on E-28. With the committee's support, we would like the opportunity to update these numbers prior to the bill leaving the full committee.

We'd like the committee to consider including special education contingency in the special education fund and limiting contingency to a percentage of the special education appropriation. That would give us the flexibility to adjust the contingency funding somewhat based on need each year. We'd need language in HB2 to allow unspent contingency funds to be carried forward into the second year of the biennium.

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Also, as you may be aware, the HB28 Implementation Committee has a bill to change the funding formula for transportation to 50% state and 50% county. If that passes, the transportation figure will have to be adjusted. Our handout shows you our current best estimate for the transportation program.

There is a problem however, we'd like to discuss concerning transportation being funded out of the general fund. The schedules in transportation are stated in statute. For the last biennium we needed to move \$205,000 from FY 91 to FY 90 to pay the cost of the schedules. We are also asking for a \$605,589 supplemental appropriation in the supplemental bill to cover the transfer and the estimated \$205,000 in additional costs for this Fiscal Year. If we don't estimate enough, we would have to underdistribute the available money even though the schedule is in statute.

That could be avoided if the funding came from the foundation program. Because the source would be non-general fund, we could go to the Finance Committee for a budget amendment if our estimate was off. Under the present law we are encouraged to estimate high, thereby tying up scarce general fund dollars.

Finally, we have a bill amending traffic safety so we can also address bicycle and pupil transportation (bus) safety. It should not affect the distributions to schools, but I wanted you to be aware of it.

MOTIONS REQUESTED

1. Add the following programs and amounts under state special revenue:

	FY92		FY93	
	0%	4.5%	0%	4.88%
Foundation program	\$348.756	\$364.45	\$349.318	\$382.559
Guaranteed Tax Ba	\$30.843	\$32.231	\$30.892	\$33.832
GTB Retirement	\$14.229	\$14.229	\$14.912	\$14.912

2. Add Chapter 1 modification under Federal discretionary Funds at \$90,000 each year of the biennium.

3. Fund Gifted and Talented out of the foundation program at an additional \$1,500,000 for the biennium.

4. Increase the foundation program, GTB, GTB retirement, and Special Education by an amount equal to inflation.

5. Fund transportation out of the foundation program, increase general fund support of the foundation program accordingly. FY92 \$6,483,120 FY93 \$6,493,558.

6. Add language to make federal special revenue appropriations, and the general fund secondary vocational education appropriation, biennial appropriations.

7. Add language appropriation for distribution of state traffic education monies to schools.

8. Add language for special education contingency funds, making the appropriation a biennial appropriation and stating requirements for awarding contingency funds.

9. Update appropriation for transportation aid to equal most recent estimate of statutory required payments and update federal discretionary flow through appropriations to equal most recent estimates of available federal funding.

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Program 09 - Revenue
estimates as of
1-11-91.

**DISTRIBUTION TO PUBLIC SCHOOLS
PROJECTED EXPENDITURES
FISCAL YEARS 1992 1993**

<u>GENERAL FUND PROGRAMS</u>	<u>CURRENT LEVEL</u>	<u>ANTICIPATED</u>	<u>DIFFERENCE</u>
Special Education	33,361,646	33,361,646	-0-
*Special Education Contingency	500,000	500,000	-0-
Transportation	6,252,894	6,483,120**	230,226
School Lunch	599,400	601,284	1,884
Gifted & Talented	100,000	100,000	-0-
*Secondary Vocational Education	900,000	900,000	-0-
Adult Education	250,000	250,000	-0-
Impact Aid	5,000	5,000	-0-
Total General Fund	41,968,940	42,201,050	232,110
 <u>STATE SPECIAL REVENUE</u>			
Traffic Safety Distribution	1,200,000	1,200,000	-0-
 <u>FEDERAL DISCRETIONARY FUNDS</u>			
*EHA B	493,000	678,000	185,000
*JTPA	508,600	508,600	-0-
*Adult Basic Education	499,000	599,000	100,000
*McKinney Homeless Adult	70,200	70,200	-0-
*Preschool Incentive Grant	50,000	115,000	65,000
*Vocational Education	2,500,000	2,500,000	-0-
*English Literacy	-0-	12,500	12,500
*EHA D	12,000	22,500	10,500
*Chapter 1 Program Improvement	-0-	90,000	90,000
Total Federal Funds	4,132,800	4,595,800	463,000
Total Distribution to Public Schools Program	47,301,740	47,996,850	695,110

*Denotes appropriations be established as continuing appropriations.

**FY93 request \$6,493,558

Exhibit 4 consists of a 70 pg. booklet.
The original is available at the Montana
Historical Society, 225 N. Roberts, Helena, MT.
59601 (Phone 406-444-4775)

EXHIBIT

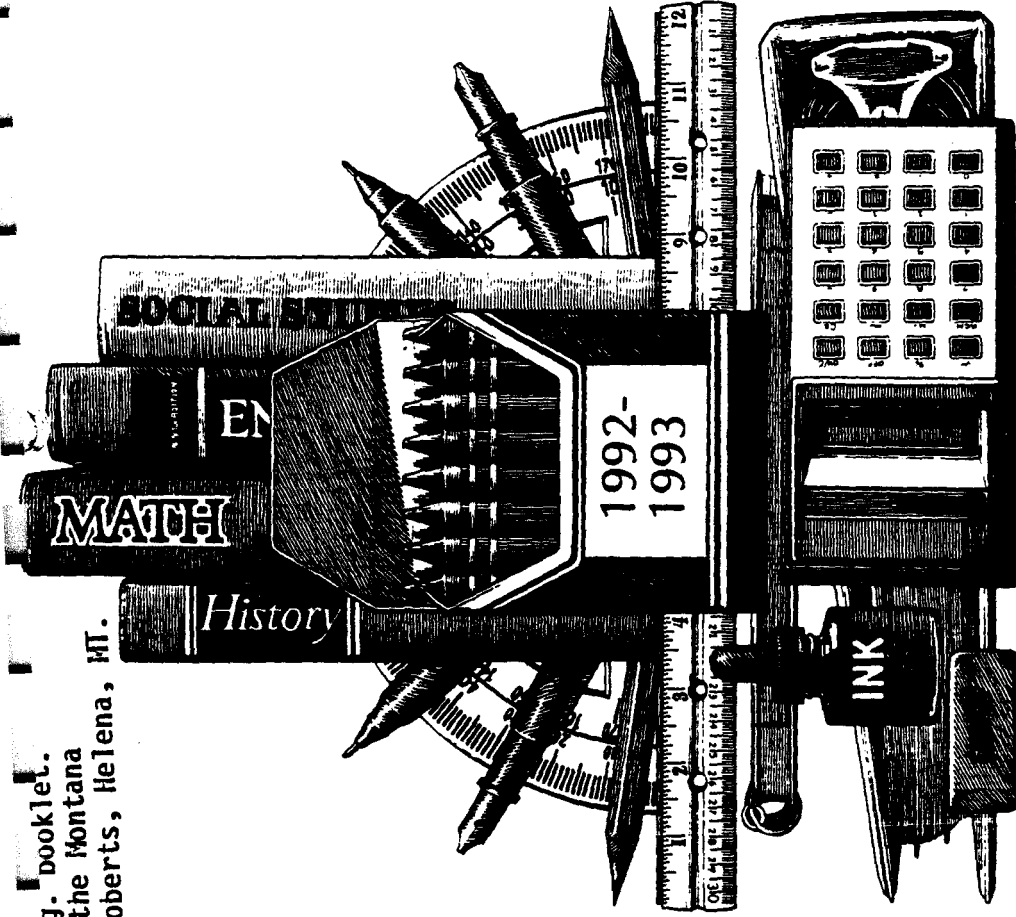
DATE

HB

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Fed. & Civ. Div. Sub.



BUDGET REQUEST

Office of Public Instruction

Nancy Keenan, Superintendent

OVERVIEW OF DUTIES
OFFICE OF PUBLIC INSTRUCTION

20-3-105 MCA Print and distribute all reports and forms necessary for the proper conduct of business by a school district or school. **542 school districts and 800 schools.**

Print and distribute the school laws.

Counsel and advise county superintendents, in writing when requested. **56 county superintendents**

20-3-106 MCA Resolve controversy resulting from the proration of costs by a joint board.

Issue, renew, or deny teacher certification

Negotiate reciprocal tuition agreements with other states.

Approve or disapprove school isolation.

Supervise school budgeting procedures. **542 districts**

Prescribe school budget format.

Approve/ disapprove school emergency budgets.

Supervise school financial administrative provisions

Approve/ disapprove or adjust ANB

Distribute school equalization aid

Distribute state impact aid

Provide for the uniform and equal provision of transportation

Request, accept, deposit and expend federal moneys
Recommend standards of accreditation for all schools to the board of public education and evaluate compliance with the standards and recommend accreditation status of every school to the board.

Collect, maintain and publish curriculum guides and assist schools with instructional programs. 800 school and 9,500+ teachers, half of which are elementary teachers and require assistance in several disciplines.'

Establish and maintain a library of visual, aural and other educational media

Responsibility for K-12 vocational education, including: state plan, establish standards for courses and programs, review process for establishment and deletion of programs, instructor qualifications, course criteria, apportion monies, and evaluate programs.

License textbook dealers

Supervise and coordinate the the conduct of special education

Administer the school food services program

Review school building plans and specifications

Prescribe the method of identification and signals to be used by school safety patrols

Provide schools with information and technical assistance for compliance with student assessment rules; summarize the results for the board and the legislature.

Administer distribution of guaranteed tax base equalization aid

Administer the distribution of guaranteed tax base state retirement equalization aid

20-10-103 MCA Responsibility to set certification standards for school bus drivers.

20-10-112 MCA Responsibility to administer and supervise the school transportation program (8 duties including the approval of all bus routes and transportation contracts and disbursement of funds).

20-10-201 MCA Responsibility to administer a school foods program.

20-7-403 MCA Responsibility to administer special education, (14 specific tasks).

- 20-7-431 MCA Requirement for the Superintendent to make rules and account for special education expenditures by reviewing and approving all special education budgets.
- 20-7-903 MCA Responsibility to propose rules and approve programs for gifted and talented children.
- 20-7-1001 MCA Responsibility to promote and encourage telecommunications in education.

COMPARISON OF EXECUTIVE AND LFA CURRENT LEVELS

OFFICE OF PUBLIC INSTRUCTION

Budget Item	Executive Current Level		LFA Current Level		Executive Over(Under) LFA
	Fiscal 1992	Fiscal 1993	Fiscal 1992	Fiscal 1993	
FTE	126.40	126.40	121.90	120.40	6.00
Personal Services	4,122,300	4,115,762	3,967,079	3,896,399	374,584
Operating Expenses	2,433,111	2,415,902	2,189,700	2,163,153	496,160
Equipment	86,152	85,152	54,260	45,976	71,068
Local Assistance	43,168,937	43,168,937	43,168,940	43,168,940	(6)
Grants	4,153,582	4,159,582	4,153,600	4,159,600	(36)
Transfers	425,049	426,226	334,000	334,000	183,275
Total Agency	\$54,389,131	\$54,371,561	\$53,867,579	\$53,768,068	\$1,125,045
<u>Fund Sources</u>					
General Fund	45,161,047	45,137,312	44,780,753	44,724,344	793,262
State Revenue Fund	1,489,475	1,489,475	1,489,378	1,489,378	194
Federal Revenue Fund	6,894,245	6,896,767	6,830,765	6,793,280	166,967
Proprietary Fund	844,364	848,007	766,683	761,066	164,622
Total Funds	\$54,389,131	\$54,371,561	\$53,867,579	\$53,768,068	\$1,125,045

Executive Budget Comparison

The Executive Budget exceeds the LFA current level budget by \$1,125,045 in the 1993 biennium. This is caused by six major factors:

1) The Executive Budget includes approximately \$356,000 general fund for 2.0 FTE and related operating expenses in the 1993 biennium to continue implementation of House Bill 16 and House Bill 28, passed by the June 1989 special legislative session. These bills appropriated \$353,950 to OPI for the 1991 biennium to: 1) assist districts in implementing generally accepted accounting principles (by July 1, 1990) and standard reporting practices in local school districts; and 2) to implement the new school equalization bill which went into effect in fiscal 1991. The LFA current level budget does not include continued funding in the 1993 biennium for these purposes.

2) The LFA current level budget deletes 4.0 FTE and approximately \$75,000 general fund and \$170,000 federal funds (Carl Perkins and Chapter I) in the 1993 biennium due to extended vacancies in

the 1991 biennium and reduced federal funds in the 1993 biennium.

3) The Executive Budget includes \$71,068 more for equipment in the 1993 biennium than included in the LFA current level budget. Part of this difference reflects equipment (\$10,600) included in the Executive Budget for House Bill 16 and House Bill 28 implementation. The LFA current level budget includes \$60,468 less for audiological and computer equipment.

4) The Executive Budget includes \$183,275 more general fund in the 1993 biennium for transfers to the indirect cost pool than the LFA current level budget. The Executive Budget includes a higher budget for the functions supported by indirect cost pool.

5) The Executive Budget includes \$207,346 more for contracted and printing services in the 1993 biennium than the LFA current level budget. The LFA current level budget is based on actual fiscal 1990 expenditures for these services.

6) The Executive Budget includes approximately \$78,500 more travel in the 1993 biennium than the LFA current level budget. The LFA current level budget

OFFICE OF PUBLIC INSTRUCTION

includes travel costs at the fiscal 1990 expenditure level for every program except Title IV.

Budget Modifications

In addition to the \$108.8 million current level budget for the Office of

Public Instruction, the Executive Budget includes \$2.75 million and 6.0 FTE in budget modifications. The Superintendent of Public Instruction is requesting an additional \$62.1 million and 7.5 FTE in budget modifications that are not included in the Executive Budget. These budget modifications are discussed in the program narratives.

GAAP FACT SHEET - JANUARY 1991

PERSONNEL IMPACTED STATE-WIDE

Number of Clerks		
Combined Districts	390	
Separate Sp Ed Coops	<u>8</u>	
Total	398	
County Superintendents	56	FY91 Turnover Rate 36/398 = 9%
County Treasurers	56	FY91 Turnover Rate 16/56 = 29%
Local Govt Services Auditors	20	FY91 Turnover Rate _____
Private Auditors	67	
Computer Vendors	<u>14</u>	
TOTAL IMPACTED BY GAAP	611	

APPROXIMATE NUMBER OF ANNUAL TRUSTEES FINANCIAL SUMMARIES = 550

APPROXIMATE NUMBER OF ANNUAL COMBINED DISTRICT AUDITS TO BE REVIEWED = 388

APPROXIMATE NUMBER OF DISTRICTS UNDER THE FEDERAL SINGLE AUDIT ACT = 440

HIGHLIGHTS OF ACCOUNTING NEEDS ASSESSMENT SURVEY - Fall 1990:
 (350 of 402 districts responding)

Accounting Systems Used:

Manual	174	49.6%
Computer	173	49.9%
Other	3	1.1%

Using Double Entry (Debit/Credit) Accounting:

Yes	200	57.0%
No	137	39.0%
Missing	13	4.0%

STATEWIDE WORKSHOPS - GAAP IMPLEMENTATION FY90 AND FY 91

Spring 1990

Eight Workshops - each one full week:
 Topic: Double Entry Accounting - 3 days
 Topic: Implementing GAAP - Quick Start - 2 days
 Miles Driven: 3241
 Attendance: 475
 Travel Cost Per Workshop \$823

Fall 1990

Ten Workshops - 2 days
 Topic: Intermediate GAAP Topics
 Miles Driven: 4253
 Attendance: 475
 Travel Cost Per Workshop \$580

Spring 1991

Eight Workshops - Total 3 days:
 Topic: Review GAAP concepts and procedures - 1 day
 Topic: Converting from cash basis to accrual accounting - .5 day
 Topic: Completing the Trustees Financial Summary June 30, 1991 - .5 day
 Topic: GAAP for 3rd Class Districts on Column Systems - 1 day

Estimated Miles:	3241
Estimated Attendance:	475
Estimated Travel Cost Per Workshop	\$600

SPECIALIZED WORKSHOP FOR SMALL 3RD CLASS DISTRICTS USING COLUMNAR SYSTEMS

Following the suggestions at the spring 1990 workshops, four workshops dedicated to minimizing the impact of GAAP on small districts were held at the Bozeman MASBO Summer Seminar, and later in the fall at the Melrose School, Dawson County Superintendent's Office in Glendive and the Fergus County Superintendent's Office in Lewistown.

OTHER PRESENTATIONS - GAAP IMPLEMENTATION FY90 AND FY 91

Annual County Superintendents Association Meeting
Annual County Treasurers Association Meeting
Annual Inservice Training Meeting - Local Government Services Auditors
Bi-monthly MASBO Meeting

WORKSHOPS - GAAP MAINTENANCE FY 92 AND FY 93

Statewide Workshops

We anticipate the need for ten 1-2 day statewide workshops each spring and fall in fiscal years 1992 and 1993. Spring workshops will discuss how to close the accounting records for the year and how to complete the financial reports at the end of the fiscal year. Fall workshops will discuss various changes in procedure, correct recurring problems, and answer frequently asked accounting and budgeting questions. The majority of topics for the fall workshops will be determined from survey of the districts needs at the spring workshops. Workshop schedules must allocate time to address how accounting requirements affect school districts using various types of manual and computer accounting systems.

Helena Workshops - Entry Level/New Clerks

We also anticipate a two day entry level workshop to be held in Helena twice a year to train new clerks in double entry accounting and beginning and intermediate fund accounting.

SCHOOL ACCOUNTING MANUAL

Implementation of GAAP required major changes to the previous accounting manual which was last updated in 1985. The revisions to the manual were made as suggested by the GAAP Advisory committee, CPA's, clerks, and auditors. Approximately 2000 revised manuals will be printed for distribution. The manual should be updated at least twice annually to adequately maintain its usefulness.

MONTHLY NEWSLETTER

A one page newsletter will be developed in FY 92 to keep schools informed of current budget and accounting issues.

AUDIT REPORTS

Approximately 388 school district audit reports will be reviewed each year for compliance with generally accepted accounting principles and compliance with the Federal Single Audit Act.

OFFICE OF PUBLIC INSTRUCTION
PROGRAMS 01, 05 AND 06 (EXCLUDING HB28 & 16)
FISCAL YEARS 1992 AND 1993

I. CONTRACTED SERVICES

<u>PROGRAM</u>	<u>FY90 ACTUAL</u>	<u>FY92** REQUEST</u>	<u>FY93** REQUEST</u>
01-SUPTS OFFICE	\$ 36,058	\$ 40,562	\$ 41,131
05-ADMIN SERVICES	134,120	205,316	198,069
06-EDUC SERVICES	538,157	582,184	578,035
TOTALS	<u>\$708,335</u>	<u>\$828,062</u>	<u>\$817,235</u>

LFA current level budget for contracted services is \$207,346 less than executive current level. Funding sources for the difference are as follows:

General Fund -	\$ 9,383
State Special Revenue -	194
Federal Special Revenue -	53,227
Proprietary -	<u>144,542*</u>
TOTAL	\$207,346

II. EQUIPMENT

<u>PROGRAM</u>	<u>FY90 ACTUAL</u>	<u>FY92** REQUEST</u>	<u>FY93** REQUEST</u>
01-SUPTS OFFICE	\$ 7896		
05-ADMIN SERVICES	63,829	\$28,095	\$28,095
06-EDUC SERVICES	120,863	52,257	52,257
TOTALS	<u>\$192,588</u>	<u>\$80,352</u>	<u>\$80,352</u>

LFA current level budget for equipment is \$60,468 less than executive current level. Funding sources for the difference are as follows:

General Fund -	\$ 40,388
Proprietary -	<u>20,080*</u>
TOTAL	\$ 60,468

III. TRAVEL

<u>PROGRAM</u>	<u>FY90 ACTUAL</u>	<u>FY92** REQUEST</u>	<u>FY93** REQUEST</u>
01-SUPTS OFFICE	\$ 24,648	\$ 40,207	\$ 40,979
05-ADMIN SERVICES	22,442	41,213	41,246
06-EDUC SERVICES	264,206	232,673	232,688
TOTALS	<u>\$311,296</u>	<u>\$314,093</u>	<u>\$314,913</u>

LFA current level budget for travel is \$78,500 less than executive current level. Funding sources for the difference are as follows:

General Fund -	\$ 69,465
Federal Special -	<u>9,035</u>
TOTAL	\$ 78,500

IV. SUMMARY - TOTAL CONTRACTED SERVICES, EQUIPMENT AND TRAVEL

	<u>FY90 ACTUAL</u>	<u>FY92** REQUEST</u>	<u>FY93** REQUEST</u>
OFFICE OF PUBLIC INSTRUCTION	\$1,212,219	\$1,222,507	\$1,212,500

*Increases in the Proprietary Fund appropriation will be funded with a transfer from the General Fund.

**FY92 and FY93 request includes inflation.

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 APPROVED BY EXECUTIVE

OFFICE OF PUBLIC INSTRUCTION

	FTE FY92	FTE FY93	GENERAL FUND	OTHER FUND	TOTAL
1) FEES AND ASSESSMENTS			\$61,000		\$61,000
2) AUDIOLOGY			\$136,000		\$136,000
3) AT RISK EARLY CHILDHOOD	1	1	\$80,150		\$80,150

NOT APPROVED BY EXECUTIVE

21) INDICATOR SYSTEM	3	3	\$206,495	\$30,000	\$236,495
22) ACCREDITATION	1	1	\$109,444		\$109,444
23) GENDER EQUITY	0.5	0.5	\$55,116		\$55,116
24) SPECIAL ED. STAFF	2	2	\$128,302		\$128,302
25) AT RISK EARLY CHILDHOOD			\$66,118		\$66,118

AGENCY OTHER ISSUE MODS

A1) ACCOUNTING DP STAFF	13	13	\$871,554	\$132,570	\$1,004,124
A2) CURRICULUM STAFF GEN FUND			\$962,468		\$962,468
A3) SINGLE BUILDING			\$415,900		\$415,900
A4) RESOURCE CENTER FUND BALANCE				\$8,000	\$8,000
A5) INDIAN ED SPECIALIST GENERAL FUND	0.5	0.5	\$48,068		\$48,068

=====

PRIORITY 1

=====

	FTE FY92	FTE FY93	GENERAL FUND	OTHER FUND	TOTAL
1) FEES AND ASSESSMENTS			\$61,000		\$61,000
2) AUDIOLOGY			\$136,000		\$136,000
23) ACCREDITATION	1	1	\$109,444		\$109,444
A2) CURRICULUM STAFF GEN FUND			\$962,468		\$962,468
A1) ACCOUNTING DP STAFF	13	13	\$871,554	\$132,570	\$1,004,124
A4) RESOURCE CENTER FUND BALANCE				\$8,000	\$8,000
A5) INDIAN ED SPECIALIST GENERAL FUND	0.5	0.5	\$48,068		\$48,068
24) SPECIAL ED. STAFF	2	2	\$128,302		\$128,302

=====

PRIORITY 2

=====

24) GENDER EQUITY	0.5	0.5	\$55,116		\$55,116
26) AT RISK RURAL			\$80,150		\$80,150

=====

PRIORITY 3

=====

3) AT RISK EARLY CHILDHOOD	1	1	\$66,118		\$66,118
A3) SINGLE BUILDING			\$415,900		\$415,900
21) INDICATOR SYSTEM	3	3	\$206,495	\$30,000	\$236,495

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<u>Fiscal Year</u>	<u>Authorized FTE</u>
1981	170.6
1982	165.1
1983	154.1
1984	136.1
1985	136.1
1986	134.1
1987	134.1
1988	125.8
1989	125.8
1990	124.4
1991	124.4
1992	121.9*
1993	120.4*

*LFA CURRENT LEVEL

Office of Public Instruction

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FY92	GF	PROP.	FY93	GF	PROP.
12 FTE	\$469,331	\$72,300	12 FTE	\$402,223	\$60,270
9 FTE	\$447,331	\$72,300	9 FTE	\$392,223	\$60,270

Financial Management and Data Processing Staffing

The Operations Department requests two administrative officers and an administrative assistant to help in the distribution/accountability of monthly foundation and GTB payments and transportation payments; two budget officers; two programmers; two support staff for telecommunications, accreditation, transportation programming and associated data editing, communication with school districts, and report generation; and three data entry staff (or equivalent contracted services support). Additional operation expenses are necessary for computer maintenance/subscription costs.

Numerous statutory requirements and changes have created workload demands on the Operations Department which we are unable to meet with existing resources. In the accounting area, we maintain 9,030 SBAS cost centers and annually distribute over \$440,000,000 to 538 school districts.

Additional new responsibilities include administering more than \$44 million in guaranteed tax base provisions in the general fund and Teachers' Retirement, monitoring reserve limits, and permissive and voted levy limits, developing reporting and monitoring systems for the revised accreditation standards, redoing the entire transportation reporting and monitoring system, and establishing a telecommunications capability to the 544 school districts.

Four programming/support staff and three keypunchers are required to develop and maintain the computer systems for telecommunications, school transportation and accreditation.

Two additional administrative officers and an administrative assistant will be required to review school district reports for compliance with guaranteed tax base and levy and reserve limit requirements. Inadequate staff in this area generated a recent audit exception from the Legislative Auditor.

OPI has one of the largest budgets in state government, but has no budget analysts. By comparison, the department of fish wildlife and parks has a \$30 million budget and has 2 budget analysts; the department of institutions central office has a \$77 million budget and 3 budget analysts; the department of highways has a \$265 million budget and 3 budget analysts. OPI has financial management responsibilities for approximately \$450 million and no budget analysts. This request includes two budget officer positions funded from the proprietary fund.

Two administrative officers, an administrative assistant and two budget officers are critical to ensure minimum compliance with the financial requirements outlined in 20-7-431 M.C.A. (Special Ed. \$33.5M) 20-7-502 M.C.A. (Traffic Education \$1.7M), 20-7-712 M.C.A. (Adult Education \$750,000), 20-7-1001 M.C.A. (Telecommunications \$500,000), 20-9-102 M.C.A. (School Budgeting \$600+M) 20-9-346 M.C.A. (State Equalization Aid \$347M), 20-9-367 M.C.A. (Guaranteed Tax Base Aid \$30M), 20-9-368 M.C.A. (Retirement Equalization Aid \$14.5M), 20-10-112 M.C.A. (School Transportation \$18M), and 20-7-301 M.C.A. (K-12 Vocational Education \$900,000).

VISITOR'S REGISTER

AGENCY (S) Education
OPI Distribution-
 DEPARTMENT Operations

SUBCOMMITTEE

DATE 1-15-91

NAME	REPRESENTING	SUP- PORT	OP- POSE
Lal Kay	OPI	✓	
Nancy Cooper Smith	OPI	✓	
John W. Carlson	OPI	✓	
Kathy Tobias	OPI		
King Rogers	OPI		
Bruce W. Moerer	MSDA ^{OPI Budget}	✓	
Barbara Rant	US West Communications ^{Rural Speech & Hearing Dept}	✓	
Sue York	US West	✓	
Roxanne Gennach	OPI - HCP	✓	
Nickie Eck	OPI - HCP	✓	
Alinda Shrub	Parent	✓	
Mona Jamison	MASHA	✓	
Bob Parley	OPI	✓	
Sib Clark	OCHE	✓	

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