

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

SELECT COMMITTEE ON SCHOOL FUNDING

Call to Order: By **CHAIRMAN JOHN COBB** on January 7, 1993, at
3:00 p.m.

ROLL CALL

Members Present:

Rep. John Cobb, Chairman (R)
Rep. Ray Peck, Vice Chairman (D)
Rep. Bill Boharski (R)
Rep. Russell Fagg (R)
Rep. Mike Kadas (D)
Rep. Angela Russell (D)
Rep. Dick Simpkins (R)
Rep. Dave Wanzenried (D)

Members Excused: None

Members Absent: None

Staff Present: Andrea Merrill, Legislative Council
Eddie McClure, Legislative Council
Dori Nielson, OPI
Evy Hendrickson, Committee Secretary

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

Committee Business Summary:

Hearing: None
Executive Action: None

CHAIRMAN COBB opened the meeting by introducing staff and
discussing the organization and calendar of the committee.
Copies of reports are available from Andrea Merrill, and staff
will be available to answer questions on an individual basis.

REP. KADAS said he would like to have any proposals dealing with
trimming school administration costs, the foundation program, and
athletics addressed as to whether those proposals are
constitutional in regard to the two pending school funding
lawsuits.

REP. SIMPKINS said one of the most pressing priorities is to
determine whether the legislature has addressed the 1989 Supreme
Court decision on school funding (also referred to as the Loble
decision); if that has not been addressed, the committee needs to
determine what needs to be done. **REP. KADAS** said the committee

will be discussing that issue in conjunction with the current lawsuits.

REP. SIMPKINS said one of those lawsuits is based on the fact that the legislature has not addressed the Loble decision and the equalization of per-student costs. This is the key to the Loble decision and could be very costly for the state. He urged the committee to resolve that issue before it addresses equalization of capital improvements or school transportation.

REP. BOHARSKI suggested asking various education groups what specific things have worked under HB 28. CHAIRMAN COBB said that question would be added to the charter of committee purpose that will be sent to the various education groups. EXHIBIT 1

REP. SIMPKINS asked whether there is a mandate to equalize transportation and what is going to be defined as part of basic education under the Montana Constitution.

REP. KADAS said that transportation was included specifically in the Loble decision and in the unanimous Supreme Court decision as an area that should be equalized.

REP. SIMPKINS said the committee should address the definition of a basic education recently published by the State Board of Public Education. If it is legitimate, it could be used in determining whether the legislature must equalize transportation.

REP. KADAS suggested the wording of the charter question should be "Should transportation be equalized and, if so, how." The committee approved the changing of the wording.

SPEAKER JOHN MERCER said that a number of people feel the legislature has enough problems in this session and perhaps should wait for the court's decision. He expressed his belief that the legislature knows something is wrong with the education funding system and that waiting for court decisions to set the direction is letting the wrong people run the state. He said the last court decision on school funding left the state with a lot of questions.

While equalizing seems an impossible task, SPEAKER MERCER urged the committee to take advantage of the best ideas and invite people's opinions and suggestions. He said the committee has absolute authority to request the drafting of legislation on proposed solutions and that the committee will have his backing.

He thanked staff of the Office of Public Instruction and the Legislative Council and the many people involved in education for their assistance in trying to help solve this problem. He expressed his utmost confidence in the committee and its decisions. While he has high expectations for this committee, he is also realistic and knows many others have attempted, unsuccessfully, to solve this problem.

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CHAIRMAN COBB said the committee needs to prioritize the charter list. REP. KADAS said it would be more appropriate to wait until the overview so there is some sense of what people believe the problem to be.

REP. PECK suggested that the committee prioritize and zero in on one issue that will make a significant contribution: analyzing the existing foundation program schedules to determine whether or not they are fair. He doesn't know if the interim committee is going to propose legislation on transportation equalization.

Andrea Merrill said that the Joint Interim Committee on School Funding produced a merely clean-up bill on several transportation issues. The bottom line of that study time was to get good recording and data from the districts for OPI and future legislative analysis. That committee did not go further than a few minor clean up things.

REP. PECK suggested that, if the interim committee made a correct conclusion on the first two issues, neither one should be dealt with by this committee. He said the interim committee has been working on those issues since the last session and had assembled more information than the committee could digest on those two topics. He said the committee needs to analyze the existing foundation program schedules and see whether they are fair or not. Is the state funding level for small schools and large schools equalized and are the schedules correct? That is the basis of one of the lawsuits.

CHAIRMAN COBB said the reason for sending an invitation to interested parties is to allow everyone a fair opportunity to respond if they cannot attend meetings.

REP. PECK said he feels that once the committee receives the responses, PL 874 will be eliminated. He has done a lot of inquiry directly to Washington D.C., and there is a reauthorization of the whole legislation. No one can anticipate where Congress will go. He feels the committee would be wasting its time sending out information on PL 874 funding.

REP. FAGG agreed that the two issues of primary importance are (1) the foundation program and how that relates to the pending lawsuits and (2) how to address the budget crisis and still maintain a basic quality education that meets the constitutional mandates. He asked the committee if Clay Smith, who represents the state in the two lawsuits, could talk to the committee about the status of that case.

REP. SIMPKINS said the major issue in the Loble decision is that the State does not have a definition of basic education. When the Board of Public Education was asked if the accreditation standards constitute a basic education, the answer was no. Without a definition, how can the legislature solve the problem?

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(Tape one, Side two)

REP. BOHARSKI asked whether the committee would be interested in starting with the basic system of education as defined by the Board of Public Education and then request the Office of Public Instruction and other interested parties to address how the current structure funds the basic system as defined by the board. He feels that will give the committee a clearer place to start.

REP. KADAS said that, while the committee needs to figure out what is a basic education, he does not believe that is politically possible. He thinks the committee needs to deal with the problem confronting it the legislature most directly: the remaining issues of the Loble decision and how to proceed.

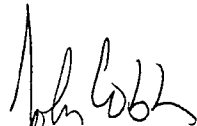
The committee agreed that on Tuesday the issues list will be prioritized.

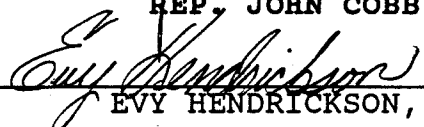
CHAIRMAN COBB said that a bill on caps has already been submitted to this committee. The committee can act on its own bills and have its own hearings.

REP. SIMPKINS asked whether a bill killed in this committee is dead unless otherwise revived? REP. KADAS explained that the way current rules are written and the way he anticipates proposed amendments to existing rules will be written for this session, it will take a majority motion on the floor to move a bill to the House Education Committee. The bills will not automatically go there.

ADJOURNMENT

Adjournment: 5:00 p.m.



REP. JOHN COBB, Chairman


EVY HENDRICKSON, Secretary

JC/eh

HOUSE OF REPRESENTATIVES

School Funding COMMITTEE

ROLL CALL

DATE _____

1-7-95

[illegible]

SELECT COMMITTEE ON SCHOOL FUNDING

Organizational Meeting

Thursday, January 7, 1993
3:00 p.m.

Room 325 (Old Supreme Court Chambers)

Staff

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| Andrea Merrill | 444-3593 |
| Eddye McClure | 444-3804 |
| Dori Nielsen | 444-3656 |
| Evie Hendrickson | 444-4828 |

Agenda

1. Speaker Mercer
2. Introduction of staff and responsibilities
3. Charge to committee
4. Discussion of agenda schedule & prioritization
5. Information and coordination of data
6. Bills which come before the committee
7. Letters of invitation to education committee
8. Keeping education committees informed
9. Other

CHARTER - HOUSE SELECT COMMITTEE ON EDUCATION HB

- To determine if school district transportation funding can be equalized (work of interim committee).
- To determine if school district funding for buildings and major capital acquisition can be equalized (work of interim committee).
- To determine if school district consolidation can save a material amount of state General Funding and improve equalization and to determine the related effects on the quality of educational opportunities for students.
- To determine if P.L. 874 funding can be equalized in whole or in part.
- To determine if an alternative funding mechanism such as funding by classroom unit would more equitably fund school districts.
- To determine the reasons for per pupil spending disparities between school districts.
- To determine the relationship between state accreditation standards and administrative costs of school districts.
- To determine the impacts of current spending limits for school districts and their relationship to school spending and per pupil spending disparities.
- To determine if additional spending limitations are necessary.
- To determine if the existing foundation program schedules are justified and equitable and to determine if foundation program schedule adjustments are indicated.
- To determine if current PILT payment allocations maximize federal reimbursements to the state, counties and school districts.

**HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER**

School Funding COMMITTEE BILL NO. _____
DATE 1-7-98 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

| NAME AND ADDRESS | REPRESENTING | SUPPORT | OPPOSE |
|-------------------|----------------------|---------|--------|
| Daniel B. Sybrant | Pryor Public Schools | | |
| Don Waldron | WREA | | |
| Steve Riley | MFT | | |
| Lynda Brannon | IISM / MABO | | |
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PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.