

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON EDUCATION & CULTURAL RESOURCES

**Call to Order:** By Rep. H.S. "Sonny" Hanson, Chair, on February 10, 1993, at 3:10 p.m.

#### ROLL CALL

**Members Present:**

Rep. Sonny Hanson, Chair (R)  
Rep. Alvin Ellis, Vice Chair (R)  
Rep. Ray Brandewie (R)  
Rep. Fritz Daily (D)  
Rep. Ervin Davis (D)  
Rep. Ed Dolezal (D)  
Rep. Dan Harrington (D)  
Rep. Jack Herron (R)  
Rep. Bea McCarthy (D)  
Rep. Scott McCulloch (D)  
Rep. Norm Mills (R)  
Rep. Bill Rehbein (R)  
Rep. Sam Rose (R)  
Rep. Wilbur Spring (R)  
Rep. Norm Wallin (R)  
Rep. Diana Wyatt, Vice Chair (D)

**Members Excused:** None

**Members Absent:** Rep. Gervais and Rep. Simpkins

**Staff Present:** Andrea Merrill, Legislative Council  
Susan Lenard, Committee Secretary

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

**Committee Business Summary:**

Hearing: HB 439, HB 443, HB 469, HB 473  
Executive Action: HB 398, HB 473

#### HEARING ON HB 469

**Opening Statement by Sponsor:**

REP. COCCHIARELLA, House District 59, Missoula, described HB 469 as a school choice bill. It would basically eliminate tuition between school districts except in special cases. She emphasized problems related to tuition are statewide. The school board of

trustees of receiving districts have the authority to decide whether individual children may transfer to their district. They may decide to eliminate tuition charges and may chose to cover transportation expenses incurred. Schools which transfer all of their middle school students to another school would still be allowed to do so. They may contract with a non-resident district to provide certain programs and pay for those from their tuition funds. **REP. COCCHIARELLA** explained tuition would be a flat statewide rate established by OPI rules. Districts must address the cost of transportation for out-of-district students.

**Proponents' Testimony:**

**Rachel Vielleux, Missoula County Superintendent of Schools,** stated HB 469 was predicated on the belief the legislature would address equalization of schools this session. It was hoped reform would occur so tuition between and among districts would not be such a divisive issue. The intent of HB 469 is to allow students to go freely from one district to another at the discretion of the receiving school board. The receiving school board would be required to develop policies defining standards for student acceptance. She noted that, at this time, school districts may not refuse court order placements or agency placements if those children are special education students. County equalization would pay for placement, it would not be the financial responsibility of the receiving district. Current law allows districts to refuse placement of non-special education students if the addition of the student could affect either accreditation fulfillments or capacity restrictions. **Ms. Vielleux** explained laws applying to elementary schools vary from those for high schools. She noted HB 469 is an attempt to simplify and unify present laws, make provisions for payment when the receiving school has no recourse, and to standardize tuition costs across the state. It was stressed the bill does not state the district of residence must pay transportation costs, but that an agreement identifying the assumption of the financial responsibility must be established before an arrangement is finalized.

**Greg Danelz, Ravalli County Superintendent of Schools,** reported schools in his county have agreed not to charge tuition to out of district students. He said what was good policy for his county can be good for all of the state. He explained it would help to clarify the morass of those individuals financially responsibly in the scope of tuition dispersement. A chart depicting the levels of tuition dispersement in elementary and high schools was presented. **EXHIBIT 1**

**Don Waldron, Montana Rural Education Association,** stated MREA supports portions of HB 469 and particularly favors the ability for receiving districts to refuse students.

Opponents' Testimony:

**Rick Stuber, Superintendent of Culbertson Schools,** notified the committee that Culbertson elementary school district lies within four separate high school districts. He explained the situation surrounding school boundaries within the district and the geographic restrictions which require tuition to be charged to students who transfer to Culbertson high school. **Mr. Stuber** stated his district lost \$20,000 the last time tuition schedules were adjusted and reported it will recognize a loss of \$30,000 if HB 469 becomes law. He stressed the bill will only create further hardship on the district. He emphasized the only true option is equalization. Without equalization as an option, he asserted the areas located south of his district would have to annex the high school and part of the elementary district would have to join onto the Culbertson high school district. **Mr. Stuber** stressed this was unlikely because the tax valuations differ considerably.

**Cliff Roessner, Business Manager and Clerk for Helena Public Schools,** reported the Helena Public Schools currently receive 292 tuition students from the surrounding districts. He stated 100 of those students are from a western district which does not have a high school. If Helena did not take these students, the outlying elementary district would need to build its own high school. **Mr. Roessner** stressed that schools in the Helena district are currently seriously overcrowded and would lose critical revenue as a result of the passage of HB 469.

Questions From Committee Members and Responses:

**REP. MCCARTHY** asked what the situation would be if a district does not wish a particular child to be placed in another district. She wanted to know if the district has any recourse under the bill. **REP. COCCHIARELLA** responded by stating schools generally have no recourse in limiting the transfer of students out of their districts.

**REP. DAVIS** asked the sponsor for clarification of lines 7 and 8, page 1 where it states "requiring mandatory attendance approval by the trustees of the district of choice." In response, **REP. COCCHIARELLA** said "mandatory" refers to court assignments i.e. assignments by agencies such as the Department of Family Services.

**REP. DAVIS** asked what "approval by the trustees" refers to on line 8, page 1. He noted he did not see where any court assignment was mentioned. **Rachel Vielleux** said under current statutes trustees must approve the attendance of a student who is placed by the courts. She explained it is not a change from the current statutes.

**REP. DAVIS** asked if it was true more than one high school district was contained within the Culbertson elementary district. **Mr. Stuber** answered in the affirmative.

**REP. ROSE** asked the sponsor to comment on the effect of HB 469 with regards to the transfer of athletes between districts. **REP. COCCHIARELLA** stated Montana High School Association rules would still apply. They are not changed by this piece of legislation.

**REP. MCCULLOCH** asked for further information regarding the situation with Birdseye area west of Helena and how it would be affected by the bill. **REP. COCCHIARELLA** said it would allow for the districts to reach an agreement as to the cost to the receiving districts of accepting those students.

**REP. BRANDEWIE** asked **Ms. Vielleux** how she envisioned transportation needs would be met if students were allowed to freely attend any school they chose. She said there are deadlines built into the bill. The most noticeable one is July 1 which is currently in place. **Ms. Vielleux** said the important thing to remember is that the trustees of the receiving district have the authority and opportunity to refuse a child. The receiving districts are required to write policy which establishes guidelines. She explained schools with open enrollment policies set those guidelines on classroom size or additional cost. She admitted it would be impossible to plan transportation needs if the system allowed an uncontrolled free flow of students.

**REP. BRANDEWIE** asked if HB 469 would encourage schools to consolidate. **Ms. Vielleux** commented there was no way of addressing that particular issue under the bill. **REP. BRANDEWIE** said Swan Lake is interested in this bill passing, with the understanding they will probably never have to build a high school because they have so few students. He stated with HB 469, the adjoining district would be required to foot the cost of educating the Swan Lake students indefinitely. **Ms. Vielleux** replied that would be true if it were not for the existing isolation statutes. If a school has below ten students for three consecutive years then the school either pays half of the foundation program amount or continues operating and ultimately might be annexed to a neighboring district. She explained a district might be able to do this for a few years but it would ultimately result in the closure of its schools.

**REP. WALLIN** asked if, in the case of forced consolidation, students at the school to be closed would have the option to choose to attend a school farther away than the school located nearest to their district. **Ms. Vielleux** said the decision would depend solely upon the receiving school district. A student does not have to reside in an adjacent school district in order to be accepted as a transfer student.

**REP. ELLIS** asked **Mr. Stuber** to explain the reason for having multiple high school districts in one school district. **Mr. Stuber** said initially there were a number of small elementary districts in this area. One by one they closed and were made into one district and finally annexed somewhere else. Because of some apparent local jealousy, the land was divided per student in

those school districts so property valuation did not go to one high school.

Closing by Sponsor:

REP. COCCHIARELLA explained transportation could be negotiated so it would not be a cost to the receiving district. She said since the state has not equalized schools, an attempt needs to be made to equalize tuition across the state for all schools. House bill 469 will not fix all of the present problems related to school tuition but it is a positive move toward some equalization in the state. REP. COCCHIARELLA stressed the stipulation authorizing the receiving school to refuse students is most important because it allows for local control. She said HB 469 is perhaps premature in the fact it comes before true equalization, but maintained it is a progressive forward step.

HEARING ON HB 473

Opening Statement by Sponsor:

REP. DAVE BROWN, House District 72, Butte-Silverbow, explained the intent of HB 473 is located concisely on lines 7 through 10, page 2. REP. BROWN remarked he was asked to sponsor the bill by several of the student body government organizations in the university system. He said it is necessary to ensure students are provided for on the Board of Regents in these difficult financial times. The student selected for the Board would not need to be chosen from the list offered by the universities. He said the seriousness of the position would necessitate collective efforts on the part of the student government organizations. Present statutes in the university system direct a student regent to serve from one to four years. House bill 473 would result in a constitutional amendment to accomplish this stipulation.

Proponents' Testimony:

Diann Smith, Associated Students of Montana State University, noted HB 473 asks that a student member of the Board of Regents be constitutionally recognized. Currently the position is only statutorily recognized. She stressed the need for communication between all of the parties involved in the university system. The governor would still nominate an individual student for the board. A list of potential candidates would be made available to the governor who may chose to select from the list but is not bound to do so. Ms. Smith suggested a student regent who does not represent the interests of the students, however, is not desirable and would defeat the purpose of the position.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

REP. DAILY asked the sponsor what the role of the Vo-tech centers and community colleges will be in relation to the other six major units of the university system. REP. BROWN said he would accept the addition of them to the bill. REP. DAILY asked if doing so would increase the number of nominees. REP. BROWN asked Ms. Smith to address the question. Ms. Smith said the six candidates would be nominated by the Vo-techs, the community colleges, and the universities. The total number of candidates would be narrowed down to six in number. REP. DAILY asked if each of the schools would have one vote. Ms. Smith replied they would each have a single vote.

REP. MCCARTHY asked for an explanation of the makeup of the board responsible for deciding on the choice of candidates. Ms. Smith remarked the board consists of each student body president from each school.

Closing by Sponsor:

REP. BROWN noted the Vocational-Technical Schools and community colleges are represented on an existing board, and so are covered in the bill. He suggested the final question is whether the people of Montana are given the chance to decide if this should be given constitutional status or if it should remain only as a statutory requirement.

HEARING ON 443Opening Statement by Sponsor:

REP. MCCULLOCH, House District 96, Billings Heights, explained HB 443 was drafted at the request of several school librarians who currently have no ability to collect funds from students to replace damaged or stolen books and materials. House bill 443 would allow school librarians to have leverage against lost books in an attempt to raise the funds replace them. Originally the bill was only considered for school library materials, but upon further investigation it was discovered the problem exists with all student used school materials. A letter written from senior high school librarians in his district, estimating school losses from materials stolen or not returned, was presented to the committee. He noted when a student leaves to go from one district to another the former district of attendance has no recourse in collecting the "stolen" property. The main portion of the bill is located on page 2, lines 24 and 25, and all of pages three and four. The bill would not prevent any student from graduating, but would allow a school to withhold the grades, diploma, or transcripts of a pupil responsible for the cost of the loss or damage of school materials or property until the pupil or the pupil's parent or guardian satisfies the obligation. He noted it is not a mandate and would be left to the discretion of the

school district. **REP. MCCULLOCH** stressed although students are entitled to a free public education, books and materials belong to the student for only one year. It is the student's obligation and responsibility to recognize this temporary ownership and return the materials for students to utilize them the following year. School books and materials are the property of taxpayers. It was noted California has a law in place similar to HB 443. A copy of a consent form used by a California high school was distributed for the committee's review. **REP. MCCULLOCH** noted he would inquire about the impact of the family privacy act on the bill. **EXHIBIT 2 AND 3**

**Proponents' Testimony:**

**Barbara Ridgeway, Coordinator for Libraries in the Public School System**, stated the problem of lost and or stolen library books is dwarfed by the problem related to the disappearance of textbooks, lab equipment, musical instruments, and other school materials. She explained the average national cost in 1990 of a secondary school library book was \$40.00. The average cost of a library book in elementary schools in 1990 was \$13.00. In her district the high school cost of missing books, using half of the 1990 average cost (i.e \$20.00), was a total of over \$5000.00 over a three year period. At the elementary level in an average sized school in Helena the cost of lost library books averaging \$13.00 in price was nearly \$900.00, over a three year period. **Ms. Ridgeway** noted her support of HB 443 because it would provide schools with the opportunity retrieve money to replace lost materials.

**Opponents' Testimony:** None.

**Questions From Committee Members and Responses:**

**REP. HARRINGTON** told the sponsor his school district has done this for thirty years. He asked if the bill was truly necessary. **REP. MCCULLOCH** suggested that is further evidence Butte is much farther ahead than the rest of the state.

**REP. MCCARTHY** observed line 9, page 3 refers to students who transfer within the state. She asked if the bill could cover those students who also transfer out of the state. **REP. MCCULLOCH** replied he would be more than willing to amend the bill during executive to include those cases.

**REP. ELLIS** asked if this is something any school can already do with their students. **REP. MCCULLOCH** replied he did not believe it is presently in statute. **REP. ELLIS** asked why the bill does not include all cases, instead of just transfer students, if schools cannot regulate students currently enrolled. **REP. MCCULLOCH** explained it would apply to all students, and stated he had just used transfer students as an example in his opening statement.

REP. SPRING asked the sponsor if he believed the word "may" was strong enough language to encourage compliance with the bill. REP. MCCULLOCH replied it would to allow schools the opportunity to do so. REP. SPRING asked if the withholding of grades, the diploma, or transcripts would prevent a student from entering college. REP. MCCULLOCH replied it may do so but he was not certain.

REP. MILLS asked why students who owe this money should not be kept from graduating. REP. MCCULLOCH said it should be looked at as a simple leverage to try and recover money which has been lost.

Closing by Sponsor: REP. MCCULLOCH closed the hearing on HB 443.

EXECUTIVE ACTION ON HB 473

Motion: REP. DAILY MOVED HB 473 DO PASS.

Discussion: REP. MCCARTHY said there is currently a procedure to allow this to take place in all of the units of the system but said it is sadly abused.

Vote: HB 473 DO PASS. Motion carried unanimously.

EXECUTIVE ACTION ON HB 398

Motion: REP. MCCULLOCH MOVED HB 398 DO PASS.

Motion/Vote: REP. MCCULLOCH moved to amend HB 398. Motion carried unanimously.

Motion/Vote: REP. MCCARTHY MOVED HB 398 DO PASS AS AMENDED.

Discussion:

REP. MCCARTHY said HB 398 points out the fact children cannot help living where they do. She suggested the committee would be penalizing school districts by not passing the bill.

REP. MILLS remarked he believed the bill should go to the appropriations committee.

REP. BRANDEWIE noted he had amendments to add to the bill.  
EXHIBIT 4

REP. HARRINGTON commented it was important to pass this bill as some students attend school out of the state.

REP. ROSE asked about Canadian students who attend Montana schools. He said state ANB money is going to these schools.



Vote: Executive action was delayed until Friday, February 12, 1993.

HEARING ON HB 439

Opening Statement by Sponsor:

REP. DAVIS, House District 53, Charlo, opened the hearing on HB 439 for REP. FOSTER who was not in attendance.

Proponents' Testimony: None.

Opponents' Testimony:

Rod Sunsted, Acting Associate Commissioner for Fiscal Affairs in the Montana University System, said the WICHE and WAMI programs were intended to provide educational opportunities for Montana residents which would otherwise not be available. While Montana could build a medical school, it would not possibly be cost effective. It makes more fiscal sense to send Montana resident students to an existing school out of state. An informational pamphlet describing the Montana Rural Incentive Program was distributed to the committee. He noted the incentive program pays up to \$30,000 of an individual's outstanding educational loans if she/he practices in an under-served Montana rural community. **Mr. Sunsted** maintained the program has been successful in its first year, having placed seven students. He indicated there are specific problems with the bill in relation to tracking students after graduation. **Mr. Sunsted** called the committee's attention to the fact military scholarships will not be offered to students with a state service requirements. **EXHIBIT 5**

**Shirley DeVoe, Self**, presented written testimony to the committee. **EXHIBIT 6**

**Doug McGuinness, Present WAMI Program Student**, suggested he would have the right as a physician to decide where and what field of medicine he will practice. He suggested the three year requirement of service presented in the bill would remove his right to practice where and what he chose. **Mr. McGuinness** agreed the rural medical situation in Montana needs addressing but said the three year requirement would not properly address the problem.

**Dr. Stephen Guggenheim, Director of the WAMI Program at Montana State University**, said it was a false perception created by the bill that students in the WICHE and WAMI programs do not have an interest in the rural health care problems in Montana. The University of Washington, which is behind the WAMI program, is extremely concerned with rural health care. **Dr. Guggenheim** presented written testimony. **EXHIBIT 7**

**Michael Strekall, Helena**, presented written testimony. **EXHIBIT 8**


Questions From Committee Members and Responses: None.

Closing by Sponsor:

REP. FOSTER, House District 32, Townsend, commented on his satisfaction with the testimonies which suggested a large number of people will come back to practice medicine in Montana. He said one of the major concerns with health care is service in rural areas of the state. Rep. Foster stressed, although the subject of health care has been considered, the question still remains as to what is truly being done to alleviate the problem. He asserted HB 439 addresses the problem on a long term basis, and not just for three years. The state would be using resources which have been present and available all along. He affirmed his support for the WICHI and WAMI programs, and stated the bill does nothing to harm these programs. The bill would change state funding from grants to loans and would provide for two ways to pay back those loans. One method would be to pay back the amount as a direct loan. The other would allow an individual to payback the loans by serving for three years in a rural medically underserved area in Montana. Rep. Foster stressed this was not a radical idea. He offered Arizona, Colorado, and Nevada as states with similar provisions. The state of Montana provides for four million dollars in grants to students in the WICHI and WAMI programs. The legislative auditor reported 42% of students from the WICHI program and 47% from the WAMI program returned to Montana to practice. Rep. Foster asked the committee to consider how many of these students are returning to work in rural medically underserved areas in the state. He stressed whether one chose to return to practice in the state or to pay back the money, the state would be able to recognize a return on the money invested in these students.

ADJOURNMENT

Adjournment: 5:03 p.m.

  
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REP. H.S. "SONNY" HANSON, Chair

  
\_\_\_\_\_  
SUSAN LENARD, Secretary

HSH/SL

# HOUSE OF REPRESENTATIVES

## Education and Cultural Resources COMMITTEE

ROLL CALL

DATE

2/10/93

NAME	PRESENT	ABSENT	EXCUSED
REP. SONNY HANSON , CHAIR	✓		
REP. ALVIN ELLIS , VICE-CHAIR	✓		
REP. DIANA WYATT , VICE-CHAIR	✓		
REP. RAY BRANDEWIE	✓		
REP. FRITZ DAILY	✓		
REP. ERVIN DAVIS	✓		
REP. ED DOLEZAL	✓		
REP. DAN HARRINGTON	✓		
REP. JACK HERRON	✓		
REP. BOB GERVAIS		✓	
REP. BEA MCCARTHY	✓		
REP. SCOTT MCCULLOCH	✓		
REP. NORM MILLS	✓		
REP. BILL REHBEIN	✓		
REP. SAM ROSE	✓		
REP. DICK SIMPKINS		✓	
REP. WILBUR SPRING	✓		
REP. NORM WALLIN	✓		

HOUSE STANDING COMMITTEE REPORT

February 11, 1993

Page 1 of 1

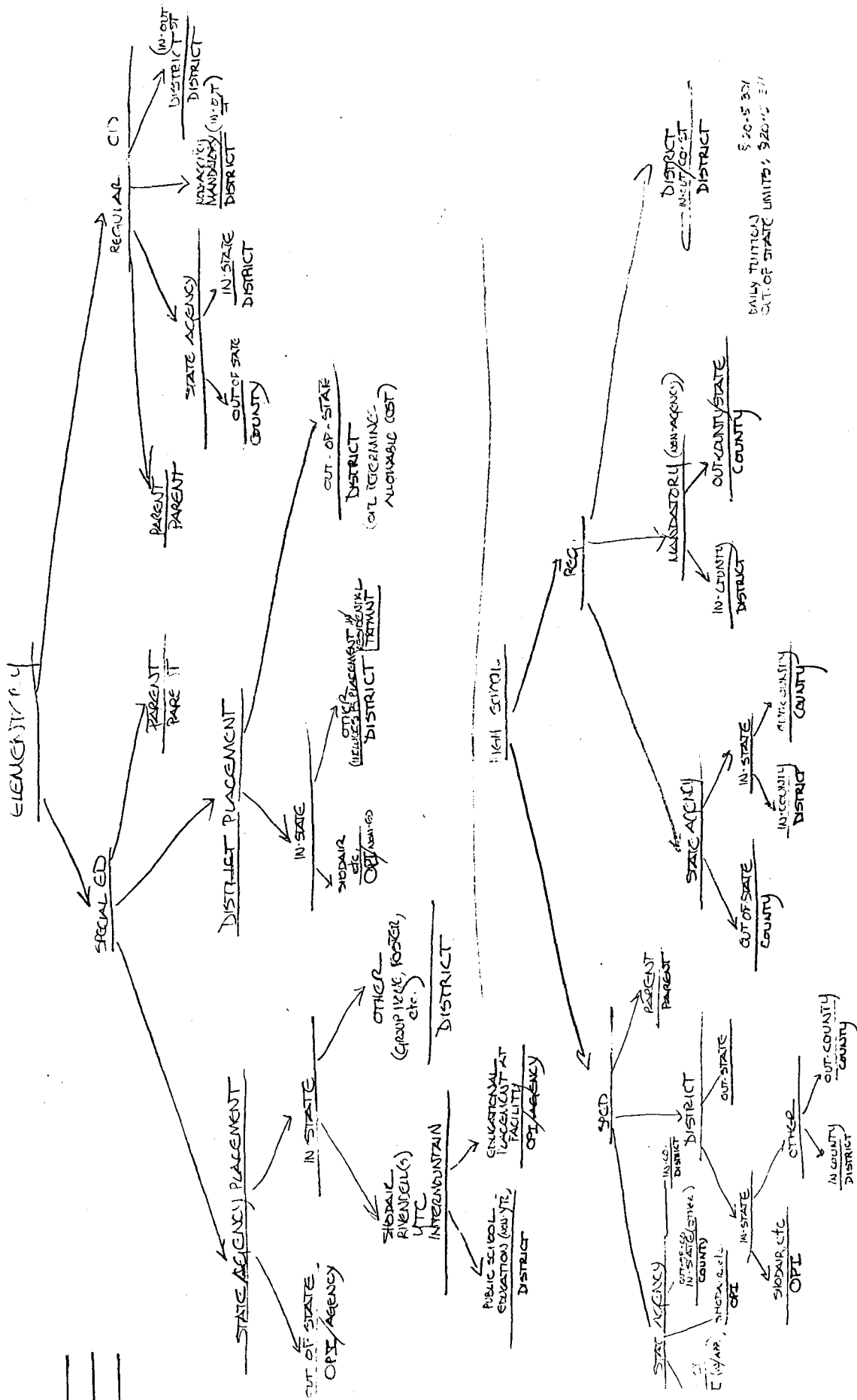
Mr. Speaker: We, the committee on Education and Cultural Resources report that House Bill 473 (first reading copy -- white) do pass .

Signed: AS Sonny Hanson  
Sonny Hanson, Chair

Committee Vote:  
Yes \_\_\_\_, No \_\_\_\_.

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EXHIBIT 1  
 DATE 2/10/93  
 HB 469



February 9, 1993

EXHIBIT 2  
DATE 2/10/93  
HB 443

To: Representative Scott McCulloch  
From: Senior High Librarians *SR, PL*  
Re: HB443

Here is what we have to tell you!

General statement:

Schools have no statutory ability to withhold any student records in order to collect outstanding financial obligations a student may have. Examples: text books, library materials, shop fees, musical instruments. This is true when a student drops school, when a student graduates, or when a student remains in school. Legal limitations foil attempts to withhold grades, transcripts, diplomas, or new class schedules.

Some facts and figures:

Students now enrolled at Senior:

13 students owe \$226 in shop fees

79 students owe \$1998 for text books

1 student owes \$175 for text books (teachers have been warned to issue him no books - we don't know how this will hold up.)

1 student owes \$105 for a track warmup

14 students owe \$187 for library books.

Students who dropped or transferred during first semester 1992-93 left school owing \$1033.39 in books, fees etc. - \$182 in library books.

Dave Edwards, who is a music coordinator for the district, gave me the following information.

5 -10 instruments a year are "lost/stolen"

frequently these are scholarship instruments, loaned without a fee to a needy student who leaves without returning the instrument. Estimated cost average - \$500. (a cello may cost \$1000, a clarinet only \$200)

Last year, Edwards knew a student had transferred to a Missoula school. Although the new school officials knew the student had left with SD#2 property, they had no means to collect for the "stolen" article.

Police won't help collect the material: they will not call at homes of students.

Edwards has located material in a local pawn shop -

"Riverside Middle School" was painted on the side of the case! The police will help recover the material from the pawn shop - he expects a 2 to 3 month lag.

Edwards identifies this as "my greatest headache."

Some statistics from over time -  
from Senior High Library

These books were checked out (not stolen) and not returned.

1985-86	\$279
1986-87	\$447
1987-88	\$249
1988-89	\$229
1989-90	\$277
1990-91	\$211
1991-92	\$135

from Senior registrar

total amount for books checked out (text books and library  
claims)

drops and transfers	1990-91	\$3,952.92
	1991-92	\$1,916.15

(Sam Matthews, social studies dept chair, went through  
student records to tabulate these! We did get some people  
interested.)

from Skyview library

Again, these books were checked out and not returned.

1985-86	31 books	(650 students enrolled)
1986-87	13 books	(800 students enrolled)
1987-88	26 books	(1200 students enrolled)
1988-89	18 books	
1989-90	4 books	
1990-91	5 books	
1991-92	13 books	

(Skyview has automated circulation. Peggy Smith says this  
reduced the problems because it is easy to check on the  
students as they checkout from school.)

Average costs per books according to School Library Journal.  
March 1992

Junior High up	\$14.42
Adult fiction	\$21.88
Adult non fiction	\$45.24
Adult fiction paper back	\$11.29
Adult non fiction paper back	\$17.03

I called Dick Reich for district wide figures. He did not  
return my call.

*Keep us posted.*  
*D.*

# El Molino High School

ANALY-UNION HIGH SCHOOL DISTRICT



7050 Covey Road, Forestville, California 95436

Telephone  
707 887-2271

H. Lewis Alsobrook

Superintendent

Thomas A. Glover

Principal

EXHIBIT 3  
DATE 2/10/93  
#B 443

DEAR PARENT AND/OR GUARDIAN:

Your signature below represents your responsibility and knowledge of books which will be issued your student upon enrolling at El Molino High School.

According to the California State Education Code 48904.3, schools can now withhold records, transcripts, diplomas, etc. if a students leaves the attending school and owes for books or materials not returned.

This form acknowledges your awareness of conditions of the California State Education Code to withhold records if books and materials are not returned.

Mel Shoemaker  
Parent/Guardian  
Signature

Mike Shoemaker  
Student Signature

9/6/89  
Date



Amendments to House Bill No. 398  
1st Reading Copy

Requested by Representative Brandewie  
For the Committee on Education

Prepared by Andrea Merrill  
February 8, 1993

1. Title, line 5.  
Following: "PLACEMENT;"  
Insert: "ELIMINATING TUITION WAIVERS;"

2. Title, line 6.  
Following: "SECTIONS"  
Insert: "20-5-303,"

3. Page 1, line 10.  
Following: line 9  
Insert: "Section 1. Section 20-5-303, MCA, is amended to read:  
"20-5-303. Individual tuition for elementary pupil. (1) No provision of this title ~~shall~~ may be construed to deny a parent the right to send ~~his a~~ child, at ~~his~~ the parent's own expense, to any elementary school of a district other than ~~his~~ the child's resident district when the parent has agreed to pay the tuition acceptable to the trustees of the district where the school is located. The trustees of the district where the school is located may allow the attendance of a child under the provisions of this section at their discretion. When the attendance is approved, the trustees shall charge tuition at the same rate prescribed by 20-5-305, ~~reduced by any amount which is waived by the trustees.~~ However, under this section, tuition as determined in 20-5-305 ~~shall~~ may be reduced by the amount the parent of the child paid in district and county property taxes during the immediately preceding school fiscal year for the benefit and support of the district in which the child will attend school.

(2) (a) For the purposes of this section, "parent" includes an individual shareholder of a domestic corporation as defined in 35-1-113 whose shares are 95% held by related family members to the sixth degree of consanguinity or by marriage to the sixth degree of affinity.

(b) The tax amount to be credited to reduce any tuition charge to a parent under this subsection is determined in the following manner:

(i) determine the percentage of the total shares of the corporation held by the shareholder parent or parents;

(ii) determine the portion of property taxes paid in the preceding school fiscal year by the corporation for the benefit and support of the district in which the child will attend school.

(c) The percentage of total shares as determined in subsection (2)(b)(i) is the percentage of taxes paid as determined in subsection (2)(b)(ii) that is to be credited to

reduce the tuition charge.""  
Renumber: subsequent sections

4. Page 13, line 6 and 7.  
Following: "tuition" on line 6  
Strike: remainder of line 6 through "waivers," on line 7

5. Page 13, line 25 through page 14, line 1.  
Following: "tuition"  
Strike: remainder of line 25, page 13 through "waivers," on line  
1, page 14

## Process of Selection and Approval of Physicians to Receive Awards

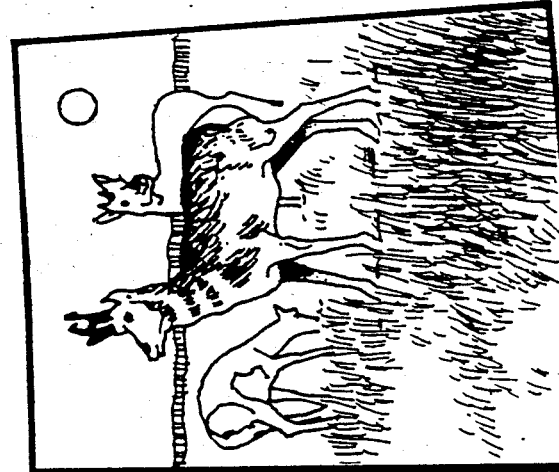
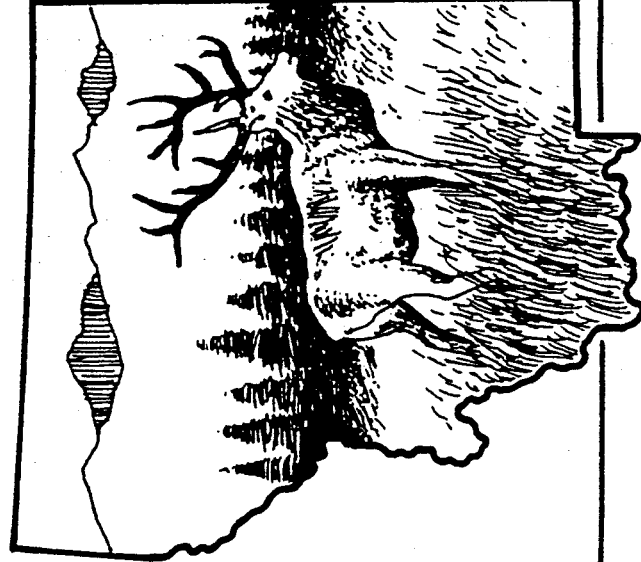
The nominations of physicians to receive awards will be made by the Rural Physician Incentive Program Advisory Committee appointed by the Commissioner of Higher Education (Board of Regents' Policy 940.25) based on the criteria of eligibility and site selection and the application process described above. The committee will rate and prioritize the applications as they are received. As many awards will be made as possible given the number of applications and the amount of money available from the trust fund. Should it not be possible to fund all of the qualified applications, preference will be given to those physicians who have contributed to the trust fund while they were students in the WAMI or WICHE Programs. Final approval of physicians to receive awards will be made by the Board of Regents.

## Instructions for Applying for Funds

Application is made jointly by a physician and an organization or institution (for example, a hospital or clinic) in the community in which the physician wishes to practice. The application form has a section for completion by the physician and a section for completion by the institution or organization that is supporting the application. The application form must be signed by both the physician and an official of the supporting institution or organization.

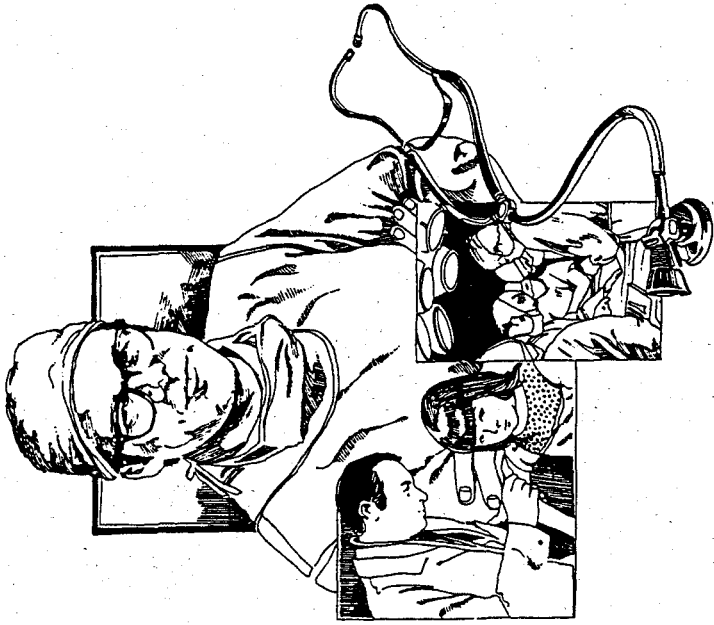
The physician applicant must also complete and submit loan verification forms which will be sent out for verification by the Montana University System. Only verifiable educational loans will qualify toward the \$30,000 maximum repayment. The applications and loan verification forms are to be submitted to the Board of Regents of the Montana University System through its Commissioner for Higher Education.

# MONTANA RURAL PHYSICIAN INCENTIVE PROGRAM



BOARD OF REGENTS OF HIGHER EDUCATION  
MONTANA UNIVERSITY SYSTEM  
33 SO. LAST CHANCE GULCH  
HELENA, MONTANA 59620-3101

EXHIBIT  
DATE 4/10/52  
BB 439



## Information Bulletin Montana Rural Physician Incentive Program

### Program Summary

#### Purpose

The Montana Rural Physician Incentive Program was authorized by House Bill 974 (1991), which was enacted on April 8, 1991. The purpose of the program is to encourage primary care physicians to practice in medically underserved areas of rural Montana. Towards this end, the Rural Physician Incentive Trust Fund has been established in order to pay the educational debts of rural physicians who practice in areas of the state that are medically underserved and that demonstrate a need for assistance in physician recruitment. The trust is funded by fees assessed to students who are re-

ceiving allopathic and osteopathic medical educations supported by the WAMI or WICHE Programs.

#### Benefits and Obligations

The program pays up to \$30,000 in total toward the qualified educational loans of participating health professionals over a one-to-four-year period of service in a location of physician need. The schedule of these payments is as follows: \$3,000 after 6 months, \$3,000 after twelve months, \$3,500 after eighteen months, \$3,500 after twenty-four months, \$4,000 after thirty months, \$4,000 after thirty-six months, \$4,500 after forty-two months, \$4,500 after forty-eight months. Payments are made directly to the lending institution. These benefits are in addition to any salary or other compensation received by the physician until the obligation is satisfied. If an individual is receiving funds from a federal loan repayment program payments from the Montana Rural Physician Incentive Program will not begin until federal funds have been exhausted.

### Procedures

#### Eligibility Requirements

Individuals eligible to apply for funds are citizens or nationals of the United States who:

1. have a doctor of medicine or doctor of osteopathic medicine degree, and
2. are eligible for licensure in the State of Montana.

#### Characteristics of Locations in Which Service Qualifies for Awards from the Physician Incentive Trust Fund

It is the intent of the legislation on which this program is based that the in-

centive fund be used for those communities of rural Montana which have had difficulties in attracting and maintaining enough physicians to serve their population. In general, such communities have populations of less than 8,000 and hospitals with less than 50 beds. Many of these areas have been designated by the United States government as health manpower shortage areas. Finally, hospitals and other community organizations in these areas have documentable records of their inability to recruit and retain sufficient numbers of physicians.

#### Entering the Program

Entering the program requires that the following procedures be completed:

1. Submission of an application for a loan repayment contract by the physician and an appropriate organization in the community in which the physician intends to practice.
2. Submission of loan verification forms for all loans needing repayment assistance by the program.
3. Advisory Committee approval of the physician-community matchup as being appropriate for the use of the trust funds.
4. Conclusion of a contract to begin service on a future agreed date.
5. Submission of a copy of the contract to the Montana University System.
6. Signing of the contract by the Commissioner of Higher Education of the Montana University System. The service required by the program contract begins on the date of employment, and is expected to represent full-time practice for the period of time agreed upon.

February 10, 1993

Education and Cultural Resources Committee  
1993 House of Representatives  
Helena, Montana 59620

HOUSE BILL 439

I would like to take this opportunity to speak in opposition to HB 439.

I believe that we as citizens, as a Board of Regents and as legislators in the State of Montana have the opportunity to make choices. One of the choices we have is made is to provide higher education within our state and to determine those programs that will be supported and funded through the University System.

We have chosen to not provide a medical school training program within the State of Montana. However, realizing the need for physicians we have agreed to assist in the financial obligations for a selected number of students to participate in the WAMI, WICHI and Minnesota Rural Dentistry Programs. It should be noted here that even with the State of Montana support, those participating students often have additional costs from \$12,000 - \$16,000 per year.

We in Montana have made other choices for advanced degrees in education. My information suggests tuition charges for students in our University Programs pay approximately 25% of the costs of educating each student. Therefore the State of Montana is paying 75% of that cost. As Montanans, we have chosen to support in-state schools of law, pharmacy, architecture, engineering, forestry, etc. The School of Law at Missoula has approximately 75 students entering the program each year. Montana pays the 75% additional costs over and above that received from tuition paid by the student. When a student graduates from the law school, there are no residency requirements and/or payback requirements for students to help us recoup the costs to Montana. There are no practice limitations requiring a graduate to practice in "underserved areas". (A practicing lawyer in the state indicated his fees for law school at the University of Montana were significantly lower than his enrollment costs as a student at Carroll College.)

We have a School of Engineering at Montana State University. It is my understanding the program is highly regarded nationally. Our out-of-state placement rate is one of the best in the country. Our Montana engineering students are recruited and placed at Boeing, 3-M, Coca Cola, ASARCO, etc. There are no payback requirements placed on these students for the subsidized education opportunity they were given in our state. There are no in-state work requirements for these top quality engineering students.

I believe the list goes on. As we look at other areas where Montana has a need, I could refer to special education teachers and related service providers. You have not passed a law that requires those special education teachers trained at Eastern to teach in the state and/or payback what the State of Montana has contributed to their training if in fact they move out of state or teach in a larger system.

Why then are we proposing such a law for those students choosing to practice medicine? Currently we have approximately 1400 licensed physicians in the state and over 2400 licensed lawyers. Maybe by Montana's choice to have a law school versus a medical school - we have prioritized our needs.

I believe the last legislature passed the Rural Incentive Program which attached a "string", a fee (a tax as one might interpret) on those students accepted for the WAMI program. This fee of \$1800 charged to each enrolled WAMI student each year goes into a fund to support those physicians who choose to practice in a medically underserved area of Montana. I would urge you to at least give the Rural Incentive Program a chance to assist in meeting the needs of rural Montana before you add another financial burden to those students who work so hard to achieve a goal of entering a medical school. I truly believe many of these young people will someday return to Montana. It is a way of life, you and I know that. So will they. I urge you not to pass legislation that limits their opportunities to make choices in their chosen professions.

Thank you.

A handwritten signature in cursive script, reading "Shirley DeVoe".

Shirley DeVoe  
2211 Gold  
Helena, Montana 59601

**MONTANA  
STATE  
UNIVERSITY**


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**WAMI Medical Program**326 Leon Johnson Hall  
Montana State University  
Bozeman, MT 59717-0308Telephone 406-994-4411  
FAX 406-994-4398

February 11, 1993

EXHIBIT 7  
DATE 2/10/93  
HB 439

TO: Representative Sonny Hanson

FROM: Stephen Guggenheim 

SUBJ: House Bill 439 (Repayment of support fees paid by the state for WAMI and WICHE)

I want to thank you for taking your time to hear the views of students, parents, and university system employees on the above bill. In addition to what you heard at the hearing yesterday there are a few additional facts which may be of interest to you in your deliberations about this bill.

1. The text of the bill did not specifically indicate the magnitude of the financial obligation that medical graduates would have to the state of Montana. The debt would be approximately \$100,000 dollars per student. If this were paid over a period of ten years at 12%, the total amount paid for principal and interest by each graduate would be approximately \$170,000 dollars. As indicated by Mr. Sundsted, we believe that graduates would be liable for federal income tax on the \$100,000 dollar debt if they repaid it by service to a rural community.
2. Representative Foster in his testimony gave the impression that medical education was a gift to the students, implying that there were no financial hardships attached to obtaining a medical education. In contrast to other graduate students in science who frequently are supported by teaching or research fellowships, the only financial aid available to most medical students is guaranteed loans. The students must pay their own tuition and living expenses. The indebtedness of eighteen WAMI students graduating in 1992 ranged from \$10,386 to \$92,604 dollars.
3. Not only is the Montana Rural Physician Incentive Program already successfully working towards the same goal, but it will also be used as the basis for applying for federal matching funds which can be used for the same purpose. A grant proposal has already been drafted and if it is successful the resources available to the Montana Rural Physician Incentive Program could be doubled.
4. The idea of service payback as a means of motivating graduates toward rural practice has been abandoned in North Dakota (medicine) and Colorado (dentistry). It is my understanding that it is being used for medicine in Wyoming, but I have been unable to get data on its success. I believe it is not working very well there.



THE FAMILY PRACTICE CENTER OF HELENA  
HAWKINS-LINDSTROM CLINIC. P.C.

405 Saddle Drive • Helena, Montana 59601

(406) 442-0120

Fax 442-0040

EXHIBIT 8  
DATE 2/10/93  
HB 439

William M. Batey, M.D., D.A.B.F.P.  
Paul S. Donaldson, M.D., D.A.B.F.P., F.A.A.F.P.  
Reginald J. O. Goodwin, M.D., D.A.B.F.P., F.A.A.F.P.  
Michael S. Streckall, M.D., D.A.B.F.P., F.A.A.F.P.  
Kurt E. Werner, M.D., D.A.B.F.P.

Founded 1943

John H. Gordon, M.B.A.  
Business Manager

February 11, 1993

Rep. Sonny Hanson, Chairman  
House Education Committee  
Capitol Station  
Helena, MT 59620

RE: House Bill 439.

Dear Rep. Hanson,

I was able to attend the hearing on 2/10/93 but unable to provide any comments because of time constraints that the committee was under. I'm opposed to House Bill 439 in its current form and feel it would do a disservice to Montana students, as well as eliminating some of the more qualified students in the WAMI program.

I'm a Montana resident, previous graduate from the WAMI class of 1977, and I'm currently sitting on the admissions committee for the University of Washington for the WAMI program. I've been involved with the admissions committee for last five years and have had the opportunity to interview a large number of students in this program.

I'm concerned that placing additional constraints as well as a financial disincentive on qualified students would force them to except admission to other medical schools and lower the quality of the student coming into Montana. As a practicing physician, the last thing I would want to do is encourage students at the bottom third of the medical school class to be my colleagues in trying to provide health care in the state of Montana.

Rep. Foster's comments about students having a free ride and that they should be responsible for some of their educational costs are quite erroneous and this should be pointed out to all the committee members. When I graduated from the University of Washington School of Medicine in 1981, I left with a \$20,000 debt over and above the monies that the state of Montana contributed toward the my education. The current student leaving has approximately a \$35,000 to \$40,000 debt and they clearly are not given a "free ride" for their education. I would hope that the committee hearing this bill would understand that the monies used are for defraying the cost of in-state versus out-of-state tuition as well as supporting the training programs scattered throughout the states of Montana, Washington, and Idaho better known as "WAMI sites".



EXHIBIT 8

DATE 2/10/93

~~SB~~ HB 439

I think the committee should take a firm stand and kill House Bill 439, not letting it go on and clutter up the busy schedule of the 1993 Montana Legislature. I believe it's an illconceived bill brought on by a junior representative that really has not done his homework. I would be more than happy to sit down and talk with any of the committee members or the committee as a whole if that would be your interest should this bill need additional background information.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mike Strekall", written in a cursive style.

Michael S. Strekall M.D.  
Fellow American Academy of  
Family Physicians

**HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER**

Education & Cultural Resources COMMITTEE      BILL NO. HB 469  
DATE 2/10/03      SPONSOR(S) REP. COCCHIARELLA

**PLEASE PRINT**

**PLEASE PRINT**

**PLEASE PRINT**

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Dr. Rick Stuber	Calbertson Schools		✓
Jasen Williams	Jasen Carroll College		✓
Greg Danch	Ravalli County	✓	
Karl Roosa	Powell County	✓	
E Daniel Mills	Helena MT		X
Lyle Oustad	Helena MT		X
Don Waldron	Mt Rural Ed Assoc	✓	
Rachel Viereux	Missoula County	X	

**PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.**

HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

Education & Cultural Resources COMMITTEE

BILL NO. HB 443

DATE 2/10/03 SPONSOR(S) REP. MCCULLOCH

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Don Waldron	mt Rural Ed. ass.	✓	

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HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

Education & Cultural Resources COMMITTEE

BILL NO. HG 473

DATE 2/10/93 SPONSOR(S) REP. BROWN

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<del>DAVE BROWN</del>			
DAVE Brown	sponsor - HD #72	X	

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**HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER**

Education & Cultural Resources

**COMMITTEE**

**BILL NO.** HB 439

**DATE** 2/10/93

**SPONSOR(S)** REP. FOSTER

**PLEASE PRINT**

**PLEASE PRINT**

**PLEASE PRINT**

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Shirley DeVoe Helena	SELF		✓
Tasan Williams	Carroll College		✓
Cal Boyle	"		✓
Byron Monte	WAMI		✓
Doug McInnis	WAMI		✓
STEPHEN GUGGENHEIM	WAMI		✓
Spide Farmer	MSU / Student / Dignity / WAMI		
Mike Smith	MSU		
Brandt Dennehy	Carroll College		✓
Dawn Abrams	"		✓
Paul Thomas	Carroll College		✓
Mike Strekell, MD	WAMI - E - 77		✓
Curtis Horton	CARROLL COLLEGE		✓
Jan Prybyl	Carroll College		✓

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**HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER**

Education & Cultural Resources COMMITTEE

BILL NO HB 439

DATE 2/10/93 SPONSOR(S) Rep. Foster

**PLEASE PRINT**

**PLEASE PRINT**

**PLEASE PRINT**

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Duane Thomas	Carroll College		X
Jerome Landolt	Mt. Mendocino Ass'n	✓	
Jessie Rupert	Carroll College		X
Mary McCue	Mt. Dental Ass'n	✓	
David Clarke	Carroll College		X
Matt Arnesen	Carroll College		X
James Studera	Carroll College		X
Brian Topel	Carroll College		X
Aaron Davis	Carroll College		X
Tambrey Scattini	Carroll College		X
Molt Mill	" "		✓
Monica Sargent	Carroll College		✓
Barb Hill	Carroll College		X

**PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.**