

**MINUTES**

**MONTANA SENATE  
53rd LEGISLATURE - SPECIAL SESSION**

**COMMITTEE ON FINANCE & CLAIMS**

**Call to Order:** By Senator Judy Jacobson, Chair, on December 2, 1993, at 8:30 a.m.

**ROLL CALL**

**Members Present:**

Sen. Judy Jacobson, Chair (D)  
Sen. Eve Franklin, Vice Chair (D)  
Sen. Gary Aklestad (R)  
Sen. Don Bianchi (D)  
Sen. Chris Christiaens (D)  
Sen. Gerry Devlin (R)  
Sen. Gary Forrester (D)  
Sen. Harry Fritz (D)  
Sen. Bob Hockett (D)  
Sen. Greg Jergeson (D)  
Sen. Tom Keating (R)  
Sen. J.D. Lynch (D)  
Sen. Chuck Swysgood (R)  
Sen. Daryl Toews (R)  
Sen. Larry Tveit (R)  
Sen. Eleanor Vaughn (D)  
Sen. Mignon Waterman (D)  
Sen. Cecil Weeding (D)

**Members Excused:** Senator Beck, Senator Harding

**Members Absent:** None

**Staff Present:** Clayton Schenck, Legislative Fiscal Analyst  
Lynn Staley, Committee Secretary

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

**Committee Business Summary:**

Hearing: SB 3, SB 9  
Executive Action: None

**HEARING ON SENATE BILL 3**

**Opening Statement by Sponsor:**

Senator Tom Keating, sponsor, said Senate Bill 3 is a simple repealer; \$353,000 of general fund money that are benefits paid under the silicosis program. He said the bill is before the

committee because it is a part of the Human Services budget and in reducing state spending, every level of government spending has to be looked at and priorities established. He added while there is no doubt this cutting will reduce benefits to some people and it may or may not be a hardship in some cases, it is something that has to be looked at.

**Proponents' Testimony:**

Laurie Ekanger, Department of Labor and Industry, said this program which is in their department is one of the general fund programs proposed to be eliminated in the executive budget. She presented Department of Labor and Industry testimony in support of SB 3 (Exhibit 1) and a chart describing silicosis count, past and projected and a silicosis program summary (Exhibit 2).

**Opponents' Testimony:**

J. D. Lynch, Senate District 35, Butte, stated his strong opposition to SB 3. He stated he had a part in creating the program in 1974 and 1975. He said some of the poorest of the poor are being attacked for no reason. He said in the 1970's they tried to find a way to help the people that made very little income get some type of benefits. He said there should not have been a need for a silicosis program, but we had to do it because in the 1930's there was a large company in that area that ran the State of Montana which should have been the ones that were paying the benefits for these people, but they didn't. That is why the state came up with a very meager amount of \$100 or \$200. He concluded that while eventually the program will be eliminated, we should not single out a small group of people that were put in in the 70's because they had no other place to go.

Representative Bob Pavlovich, House District 70, Butte-Silver Bow, stated his opposition to SB 3. He said the bill concerns 77 low income people that live in Silver Bow County, and it will not be effective after the 2003. We would be taking \$100-\$200 from these people for the next 10 years. Next year or the year after, it might be cut in half considering the age group of the people.

Tom Ryan, representing the Helena Golden Nuggets chapter of the Montana Senior Citizens Association, stated his opposition to SB 3 (Exhibit 3).

Darrell Holzer, Montana State AFL-CIO, said he is opposed to SB 3, adding that the group of people that would be affected by this decision are some of the most vulnerable people in the state. These people became ill or became widows because workers were subjected to very hazardous, unsafe working conditions.

Sharon Powers Bakerson, presented testimony in opposition to SB 3 (Exhibit 4).

Lloyd Anderson, East Helena, representing the Montana Senior Citizens in District 8, which is Lewis and Clark, Broadwater, Meagher, and Jefferson counties, said he is opposed to SB 3.

**Questions From Committee Members and Responses:**

Senator Tveit questioned how many of the people in the Butte area were still living alone or in nursing homes.

Laurie Ekanger said about 15 percent of all 147 people are in nursing homes but she did not know how many in the Butte-Silver Bow area. She said the vast majority are not in nursing homes.

Senator Keating said it is necessary to separate the victims from the spouses or widows. There are 16 silicotics that live in the state, and there are 2 out of state. He does not know how many of those are in Butte, but most of the 77 are spouses of the silicotics who have passed away.

Senator Weeding asked if there was a duplication with these people under the Occupational Disease Program.

Ms. Ekanger said when the Occupational Disease Program came in it does cover silicosis, but that law and the silicosis law have coordinating language so there is not a duplication.

Senator Bianchi said currently the Appropriations Committee has not taken the money out of HB 2. He questioned what would happen if we did away with the program since the money is there.

Senator Jacobson said it is her understanding that the House Appropriations Committee was waiting to see what the Senate did with the bill before they acted on the appropriation.

Senator Devlin asked Ms. Ekanger about the figure of 122 that live in Montana (Exhibit 1). He asked if the other states have a different way of paying benefits.

Ms. Ekanger said she does not know the answer to that as they have not searched out the Occupational Disease bills in the other states.

Senator Christiaens said when the survey was done, there were people that were making less than \$500 a year according to their income tax statements. He said there is no more medically needy program and if these poorest of the poor are cut, they have nothing else.

**Closing by Sponsor:**

Senator Keating closed by saying the questions indicate why this program has to be reviewed by this committee in the context of the bill. He said the state has limited resources in taking care of the needy and we have to be very careful in directing our

funds. There are 16 silicotic victims that live in Montana. They do not qualify for food stamps. There are several of them that qualify for Medicaid, but none of them are in nursing homes. Those who do file an income tax return have other sources of income that are not taxable, so although the taxable income level doesn't appear, the general income level does appear. 15 of the 18 are over 70 years of age, but none are in a nursing home. There are 5 who have incomes over \$11,000 a year. It is hard to know what kind of an income the remainder of them have because they are not required to file anything. He said because they don't qualify for other needy programs, we have to assume they have some income. He presented the Montana Income Tax Analysis for 1991. (Exhibit 5) He pointed out that some of the silicotics are making more than \$14,000 a year and we are giving them \$200 a month. He said we have no way of knowing the financial status of these people because we have no eligibility requirements beyond the taxable income level, but the taxable income is totally different than adjusted gross income. We have to establish a program based on need. We need to look at eligibility requirements, some income requirements and not be distributing funds indiscriminately. With the passage of this bill and the elimination of the program, it will save \$350,000 of general fund money. He concluded there are numerous other programs in the system that take care of the truly needy.

#### HEARING ON SENATE BILL 9

##### Opening Statement by Sponsor:

Senator Terry Klampe, Senate District 31, sponsor, said Senate Bill 9 is not a consolidation bill or a unification bill but is a bill seeking to give local control of salaries and benefits of the principals and teachers to local school districts only in the event of consolidation and unification. He said he would hereinafter refer to it as reorganization. He said SB 9 gives the local boards flexibility to renegotiate salaries and benefits. He presented an amendment to SB 9 for the committee to consider in their action (Exhibit 6), as well as a SEEDS report prepared by Ted Schwinden (Exhibit 7). He said one of the conclusions of the study is that there is very little support for the theory that consolidation is an effective cost reduction measure.

##### Proponents' Testimony:

Ernie Jean, Superintendent of Florence-Carlton School District and President of the Montana Association of School Superintendents, spoke on behalf of the bill. He said it offers options for school districts that they never had before. There has been much discussion lately about the need for school districts in Montana to reorganize. It is a financial issue, and that is the reason there is no consolidation. He said the only

way reorganization can take place that is cost effective is through a bill of this nature that allows some reorganization of the salaries. He concluded that superintendents of Montana believe that district reorganization should happen.

Representative Steve Benedict, House District 64, testifying in support of SB 9, said education in Montana is headed for a dismal spiral if we don't give the tools to local districts to try to live within the budget cuts we keep handing down to them.

Bob Anderson, Montana School Boards Association, presented a handout showing the Montana school districts (Exhibit 8). He said last summer, Missoula County High School and Missoula Elementary No. 1 unified. The 495 figure is really much smaller from an administrative standpoint. For example, Helena has two districts, an elementary and a secondary, but they are administered basically as one district. He said under the current statutes, if we reorganize and restructure, it will not save taxpayers money. The legislature has to say what to do in terms of restructuring. They support this legislation because it does give them some flexibility to restructure this portion of the government. He does not believe the legislature can vote for any consolidation bill in this session unless SB 9 is voted for.

Craig Burrington, Superintendent of Hellgate Elementary School, Missoula, testified in support of SB 9. It doesn't force the Board of Trustees to live with something they don't like; it just puts it on the bargaining table and all parties can discuss it.

Don Waldron, representing Montana Rural Education Association, which is 152 school districts, most of them in the eastern part of the state or smaller school districts. Testifying in support of SB 9, he said every year school boards around the state talk about possibilities of sharing services or consolidating, and they have many obstacles in the way. This bill would help eliminate some of the obstacles.

**Opponents' Testimony:**

Phil Campbell, Montana Education Association, said they stand in strong opposition to Senate Bill 9. He said the bill as drafted does not affect salaries; the amendments would do that. He said Missoula voted to unify, but they are not unified into a single district. Like in Helena, there are two separate school districts. They unified to one Board, but they are still two separate entities. Money can't be transferred from the high school to the elementary, etc. He said SB 9 does not save the state any money. It is not a unification bill. SB 9 talks about consolidating into single districts and under the current law there are only a few cases where that could happen. He suggested if we are dealing with tenure and renegotiations of salaries and other benefits, it should be done in the consolidation bill and not start picking at the tenure law. He concluded that he supports school consolidation and would be willing to talk about

eliminating tenure from the statute if, in exchange for that, they were guaranteed some just cause and due process in that exchange. He urged the committee to reject SB 9, adding that the amendments do not make the bill any better.

John Malee, representing the Montana Federation of Teachers, said they are opposed to SB 9 for the same reasons that have been stated before.

**Questions From Committee Members and Responses:**

Senator Waterman questioned Senator Klampe regarding Senate Bill 9 benefitting property taxpayers and asked if the contracts are not renegotiated, do they have to shift the cost to taxpayers.

Senator Klampe said we are talking about the quality of education and we are not just talking about saving property tax money.

Senator Waterman said this was never raised as an issue in the unification bill she carried last session, and asked Mr. Jean why that was not a problem then.

Ernie Jean said because they already had a unified salary matrix. They are all under the same Board and the same agreement, the difference being we are moving different entities and creating a new entity.

Senator Keating asked Mr. Jean if they lost some of the industrial base in the Ravalli-Hamilton area.

Mr. Jean said their school district did not as there is very little industry in their district.

When questioned by Senator Keating relative to teachers renegotiating so they don't price themselves out of the market, Mr. Jean said the bill does a very good job of protecting positions. It is not the intent to get rid of people but to restructure so it is operationally more cost effective.

Senator Toews asked relating to Missoula if the board was unified or the entire elementary district.

Bob Anderson said it is his understanding they eliminated the county high school trustees and became a high school district. The elementary trustees stay and they appoint, and later elect, high school only trustees to be part of that board and operate as a unified district.

Senator Waterman questioned if Missoula only had one elementary district now.

Senator Klampe said they have elementary schools within the district; he does not know how many there are.

Senator Waterman questioned how many elementary districts are in the high school district.

Mr. Anderson said six or seven feed into the high school district. The high school district became part of Missoula Elementary 1. The amendment Senator Klampe made is in the title on line 6, which would encompass that type of reorganization of school districts. He added it is a confusing area where three terms are being discussed. One is unification, that is most often used with county high schools unifying with the elementary districts. Consolidation is when schools that are identical in sense, such as Clyde Park and Wilsall, consolidate. Annexation occurs when a small district, such as Kessler, on the edge of Helena, which is an independent elementary were to annex into the Helena elementary district. Basically in SB 9 and currently, there would be an election in Kessler district to annex and then the Helena Board of Trustees would elect to receive them with or without bonded indebtedness. That is a smaller district merging into a larger district. Those are the three terms in the statute. There is also a fourth provision which also uses the word unify. That is where districts with identical boundaries decide to unify and have one budget.

Senator Waterman asked if it is fair to say that regardless of how many elementary districts feed into the Missoula high school district, there are no less districts in Missoula today than there were the day before the vote.

Don Waldron said there is one less and there are 12 elementary districts in Missoula County. Missoula elementary district 1 voted to join the high school district. He said being a taxpayer in that district, they knew it would cost them over a half million dollars, but the people voted and the majority won for quality education.

Mr. Campbell said the district will still legally be there. The boards and the districts may operate as one, but that entity of Missoula Elementary will continue to have a separate budget.

Senator Waterman asked if the Board in Missoula could have chosen to continue negotiating a contract with those elementary teachers at the lower salary.

Mr. Campbell said they do not have to.

Senator Hockett said from listening to testimony, it totally contradicts the statement of costs and savings, and he asked them to respond.

Mr. Anderson said under the statutes they cannot go down. Obviously they had to go up and that is probably the case in Missoula Elementary 1.

Senator Jacobson questioned if the salary schedules around the

state were fairly similar except for the amount of time and schooling and the differences that fall into PIR days.

Mr. Campbell said there is a wide variety of schedules.

Senator Jacobson said she is talking about basic salary and benefits based on the number of years and length of education.

Mr. Campbell said they vary from district to district. They operate in a similar fashion, but some districts allow more previous experience. Generally speaking, people move on the salary schedule for each year of experience but amounts vary from district to district. He added there is a bill coming to deal with unification which they are willing to talk about. He thought it was out of order to deal with that during a special session because it is not an issue that is dealing with dollars.

**Closing by Sponsor:**

Senator Klampe closed, stating he would like to respond to Senator Jacobson's question. He said it is his understanding that elementary teachers in Missoula make on the average of \$2,000 a year less than the high school teachers, and that is entry level. The disparity gets bigger as you go into experienced teachers salaries. He said this is a complex subject. SB 9 is only trying to focus on the salaries of principals and teachers in the event of a reorganization.

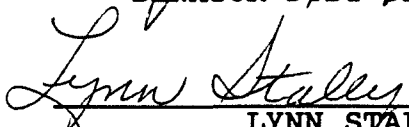
**DISCUSSION ON SB 11**

**Subcommittee appointed:** Senator Jacobson asked a subcommittee of Senators Jergeson, Christiaens, Toews and Keating to work on amendments to SB 11, sponsored by Senator Jergeson.

**ADJOURNMENT**

**Adjournment:** The meeting adjourned at 10:10 a.m.

  
\_\_\_\_\_  
SENATOR JUDY JACOBSON, Chair

  
\_\_\_\_\_  
LYNN STALEY, Secretary



# ROLL CALL

SENATE COMMITTEE FINANCE & CLAIMS

DATE 12/21/93

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACOBSON	✓		
SENATOR FRANKLIN	✓		
SENATOR AKLESTAD	✓		
SENATOR BECK			✓
SENATOR BIANCHI	✓		
SENATOR CHRISTIAENS	✓		
SENATOR DEVLIN	✓		
SENATOR FORRESTER	✓		
SENATOR FRITZ	✓		
SENATOR HARDING			✓
SENATOR HOCKETT	✓		
SENATOR JERGESON	✓		
SENATOR KEATING	✓		
SENATOR LYNCH	✓		
SENATOR SWYSGOOD	✓		
SENATOR TOEWS	✓		
SENATOR TVEIT	✓		
SENATOR VAUGHN	✓		
SENATOR WATERMAN	✓		
SENATOR WEEDING	✓		

Attach to each day's minutes

DEPARTMENT OF LABOR & INDUSTRY  
TESTIMONY IN SUPPORT OF  
SB3

SENATE FINANCE AND CLAIMS

EXHIBIT NO. \_\_\_\_\_

DATE 12/2/93

BILL NO. SB.3

**TITLE: "AN ACT REPEALING SILICOSIS BENEFITS"**

This bill reflects a provision in the Governor's Executive Budget proposal to eliminate funding for the silicosis program in the Department of Labor and Industry. While funding can be eliminated in HB2 without taking this statute off the books, we are proposing this companion legislation to eliminate any confusion about the status of this program.

Last summer, as you know, all general fund programs were put on the block. When the budget office made the final cut, this program was included in the proposed cuts.

**HISTORY**

Enacted in 1937, before Montana had an occupational disease act, for victims of silicosis unable to work because of the disease. Administered by state Welfare Department.

In 1959 state enacted Occupational Disease Act, which also covers silicosis. Occupational Disease Act and Silicosis Act were both put in the Workers Compensation Division. When the state created the State Mutual Insurance Fund in 1990, Silicosis program and other general workers compensation programs and regulatory functions were transferred to the Department of Labor & Industry.

For almost 40 years (1937-1974) this was a benefit for victims of silicosis only.

In 1974 the legislature expanded the program to allow surviving spouses to continue to receive the benefit upon the death of the victim, but only for those whose spouse died after 1974.

In 1975 the legislature expanded the program again to allow pre-1974 widows of silicosis victims to get a partial benefits if they met certain taxable income criteria.

**WHAT IS SILICOSIS?**

Lung disease caused by inhaling silica dust. Associated with certain types of hard rock mining.

Mining practices have changed significantly since this program was enacted and apparently miners have not been at risk of this condition since around 1960.

**ABOUT THE PROGRAM PARTICIPANTS**

Who gets this benefit?

Victims: 18 are in the program. They receive \$200/mo. To be eligible they cannot have substantial "gainful employment." Otherwise there is no income or asset criteria.

Post-1974 Surviving Spouses: 75 in the program receiving \$200/mo. To be eligible they cannot remarry. There is no income criteria.

Pre-1974 Surviving Spouses: 54 in the program receiving \$100/mo. To be eligible they cannot remarry and cannot receive taxable income over \$6800.

Are they financially needy? Because financial need is not a criteria for victims and for Post-1974 surviving spouse to receive benefits, the department has not collected this type of information. For Pre-1974 surviving spouses, only taxable income has been reviewed. The department surveys program participants annually and in the recent survey, just completed, asked all participants to send copies of completed state or federal tax returns. Total annual income for the 45 participants who provided returns ranged from \$525 to \$31,854.

Where do they live? 122 live in Montana, 25 in other states. About half live in Silver Bow County.

**SUMMARY:** There are no easy budget cuts. All state general funded programs provide an important service to the people they serve. We urge you to support the governor's executive budget proposal for balancing the state's budget and, in doing that, to support SB3.

**FOR MORE INFORMATION:** Call Laurie Ekanger or Chuck Hunter, Department of Labor & Industry, 444-3555.

COUNT OF SILICOSIS RECIPIENTS

<u>CLAIMANTS</u>	<u>SURVIVING SPOUSES \$200/MONTH</u>	<u>SURVIVING SPOUSES \$100/MONTH</u>
18	75	54

SILICOSIS CLAIMANT PERCENTAGES

<u>LIVING IN MONTANA</u>	<u>LIVING IN SILVER BOW</u>	<u>OVER AGE 70</u>	<u>LIVING IN NURSING HOME</u>	<u>HANDLE OWN AFFAIRS</u>
82.99%	52.38%	89.12%	15.65%	90.48%

SILICOSIS CLAIMANTS BY STATE

<u>STATE</u>	<u>COUNT</u>
Arkansas	1
Arizona	1
California	5
Colorado	1
Connecticut	1
Idaho	1
Illinois	1
Kansas	1
Massachusetts	1
Montana	122
Mexico	1
North Dakota	1
New Mexico	1
Utah	2
Virginia	1
Washington	5
Wyoming	1
<b>TOTAL</b>	<b>147</b>

SILICOSIS CLAIMANTS BY COUNTY

<u>COUNTY NAME</u>	<u>COUNT</u>
Silver Bow	77
Cascade	1
Yellowstone	2
Missoula	2
Lewis and Clark	8
Flathead	3
Philips	1
Ravalli	2
Beaverhead	2
Blaine	1
Madison	3
Powell	2
Deer Lodge	6
Broadwater	1
Granite	6
Park	1
Jefferson	4
Other	25
<b>TOTAL</b>	<b>147</b>

# Silicosis Count, Past & Projected

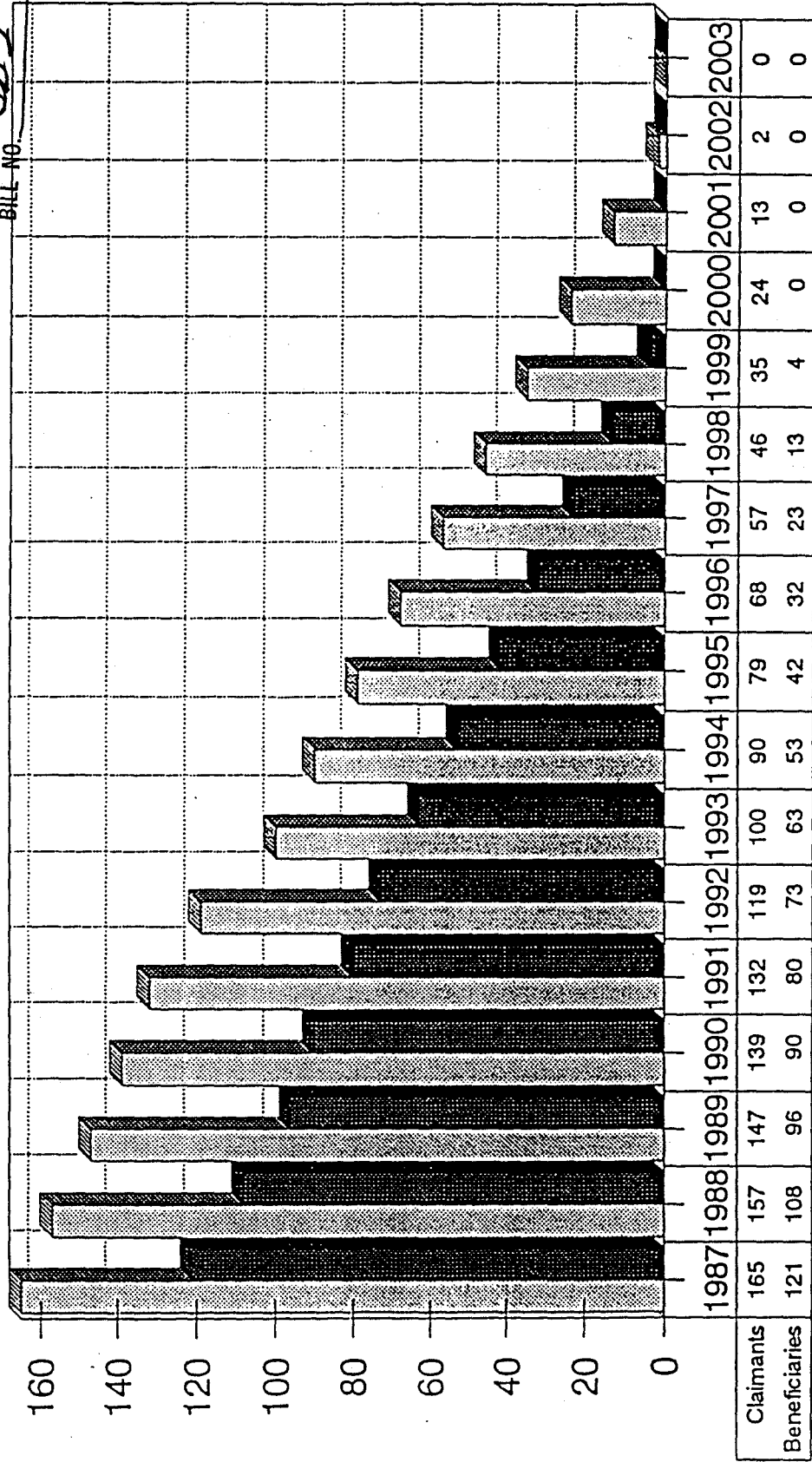
Trend Analysis, WW 9/30/93

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2

DATE 12/2/93

BILL NO. SB3



▨ Claimants    ■ Beneficiaries

# Silicosis Program Summary

WW 11/29/93

fn - Silsum 11.wk3

## I. Claimant Information

- A. Claimants And Surviving Spouses (after 3/14/74) Receive \$200 monthly
- B. Claimants Cannot Be Gainfully Employed (i.e. no income exceeding \$150 monthly)
- C. Only 18 Males\* In Program, And None Gainfully Employed
- D. Surviving Spouses Eligible Until They Remarry, And Have No Income Criteria
- E: 82 Surviving Spouses\* In Program

## II. Beneficiary Information

- A. 58 Beneficiaries\* (Spouses Up To 3/14/74) Receive \$100 Monthly
- B. Eligibility Cap Of \$6,800 Taxable Income From Employment

Age Bracket	<u>Participant Count</u>	<u>Percentage In Age Grouping</u>
40-50	1	0.63
50-60	0	0.00
61-70	14	8.86
71-80	57	36.08
81-90	63	39.87
over 90	<u>23</u>	14.56
Total	158	

## IV. Other Programs Information

Program Participants Currently Also On:

<u>Medicaid Only</u>	<u>9</u>	<u>Both Medicaid And Medicare</u>
0		15

EXHIBIT NO. 3

DATE 12/1/93

BILL NO. SB 3

NAME Tom RYAN  
 ADDRESS 909- Washington<sup>HL</sup> Helena 59601  
 HOME PHONE 442-8999 WORK PHONE Refused  
 REPRESENTING Senior - Citizens - Helena Golden Nuggets  
 APPEARING ON WHICH PROPOSAL? SB 3  
 DO YOU: SUPPORT        OPPOSE  AMEND       

COMMENTS:

FATHER MINOR - 65 YRS  
Mother represented the small  
amount as a survivor -  
She was hospitalized 19 YRS  
paid her own way through  
Medicine & other small amounts  
Others now in worse needs -  
THANK

J. T. (Tom) RYAN

This is really part of the residue - similar  
to the PNA CONDA cleanup - CLARKS FORK etc

WITNESS STATEMENT

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 4

DATE 12/2/93

BILL NO. 863

NAME Bakerson, Sharon Powers

ADDRESS 2912 Village Rd Helena, MT 59601

HOME PHONE 227-7043 WORK PHONE \_\_\_\_\_

REPRESENTING Golden Nuggets

APPEARING ON WHICH PROPOSAL? #3

DO YOU: SUPPORT \_\_\_\_\_ OPPOSE  AMEND \_\_\_\_\_

COMMENTS:

This bill was originally a welfare bill  
It was updated in 1959 session under  
Occupational Disease

To eliminate this pension is wrong!  
Do we drop widows and pensioners?

There are forms filled out every year to  
continue receiving this small amt.

Silicosis is a costly disease. There is  
no cure! Just slowly cough your life away  
while your family is helpless!

To do away with either 100<sup>00</sup> or 200<sup>00</sup> per  
month is a criminal act to all who depend  
on it to go on.

WITNESS STATEMENT

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

MAGI BRACKET	NO OF RETURNS	NO OF EXEMPTIONS	NO OF ITEM RET	ITERIZED DEDUCTIONS	NO OF STD KET	STANDARD DEDUCTIONS	HT ADJUSTED GROSS INCOME	MONTANA TAXABLE INCOME	HT TAX LIABILITY
< OR = 0	11,718	27,301	6,218	26,000,321	5,500	0	358,351,559	0	0
1,000-	999	22,300	3,762	4,523,722	10,043	1,110,341	7,461,035	1,056,537	21,308
2,000-	1,999	28,563	4,945	5,590,067	14,350	4,323,167	29,108,224	4,094,835	82,572
3,000-	2,999	30,713	6,095	8,535,437	14,476	7,222,417	51,399,963	13,741,750	282,278
4,000-	3,999	30,828	6,809	12,473,831	13,030	9,078,286	69,294,639	23,308,202	497,807
5,000-	4,999	30,830	7,219	15,290,277	11,057	10,556,871	85,296,845	32,557,547	762,474
6,000-	5,999	30,025	7,285	19,532,317	10,658	11,701,982	98,543,488	40,578,417	1,018,721
7,000-	6,999	29,213	7,475	20,879,626	9,489	12,305,084	110,117,595	47,917,516	1,296,032
8,000-	7,999	28,535	7,575	23,483,227	8,733	13,082,269	122,189,598	56,319,383	1,616,789
9,000-	8,999	27,637	7,394	25,200,846	8,161	13,854,243	132,126,151	63,934,073	1,925,950
10,000-	9,999	26,403	7,333	26,124,089	7,445	14,122,972	140,223,219	70,792,671	2,218,968
11,000-	10,999	25,682	7,077	27,025,009	7,191	15,088,527	149,694,710	78,470,842	2,569,132
12,000-	11,999	23,933	6,678	27,389,943	6,647	15,280,688	153,138,972	83,132,430	2,832,884
13,000-	12,999	23,449	6,662	28,584,079	6,243	15,411,862	161,227,858	89,820,308	3,179,889
14,000-	13,999	22,056	6,405	28,091,609	5,740	14,581,046	163,919,974	94,852,639	3,480,120
15,000-	14,999	21,639	6,574	30,117,637	5,173	13,494,077	170,223,117	100,558,484	3,826,955
16,000-	15,999	20,429	6,366	30,068,377	4,589	12,317,276	169,731,181	102,285,759	4,024,902
17,000-	16,999	20,118	6,433	32,382,050	4,283	11,876,921	176,732,363	107,787,955	4,363,984
18,000-	17,999	19,360	6,294	32,567,486	3,774	10,826,980	176,131,678	108,938,191	4,542,817
19,000-	18,999	18,237	6,254	33,757,008	3,175	9,469,907	174,374,763	108,260,658	4,640,604
20,000-	19,999	17,749	6,138	34,466,214	2,881	9,004,646	175,788,817	109,989,151	4,832,412
21,000-	20,999	17,446	6,313	36,447,487	2,406	7,924,877	178,704,479	112,195,306	5,049,494
22,000-	21,999	16,237	5,937	36,106,031	2,068	7,159,931	172,089,145	108,204,086	4,979,528
23,000-	22,999	15,785	5,884	36,602,116	1,788	6,594,129	172,548,416	109,253,651	5,145,847
24,000-	23,999	15,045	5,709	37,191,857	1,578	6,175,312	171,227,039	108,588,005	5,221,769
25,000-	24,999	14,459	5,377	36,604,957	1,427	5,826,038	166,638,804	105,752,329	5,196,266
26,000-	25,999	13,992	5,214	37,117,357	1,305	5,463,640	166,179,952	105,781,036	5,300,711
27,000-	26,999	12,569	4,761	35,337,986	1,051	4,394,130	153,937,648	98,157,655	5,007,815
28,000-	27,999	11,892	4,460	34,081,010	910	3,791,450	147,615,368	94,468,155	4,909,984
29,000-	28,999	11,584	4,339	34,939,970	809	3,430,830	146,716,794	93,402,430	4,928,338
30,000-	29,999	10,814	4,237	34,663,970	687	2,978,820	145,247,860	93,585,565	5,040,694
31,000-	30,999	10,773	4,157	35,978,579	592	2,556,450	144,810,210	92,464,652	5,043,422
32,000-	31,999	10,049	3,835	34,192,650	534	2,363,790	137,587,199	88,270,586	4,893,277
33,000-	32,999	9,844	3,865	35,052,580	441	1,934,010	139,922,730	90,142,996	5,080,254
34,000-	33,999	9,356	3,615	33,798,222	381	1,669,720	133,827,067	86,276,161	4,931,408
35,000-	34,999	8,732	3,435	33,470,491	332	1,417,780	129,939,283	83,735,404	4,850,579
36,000-	35,999	8,342	3,238	32,310,017	292	1,237,470	125,270,722	80,973,491	4,758,213
37,000-	36,999	7,678	2,990	30,995,993	225	960,830	117,322,922	75,548,930	4,689,436
38,000-	37,999	7,029	2,776	29,389,369	203	839,800	111,687,653	72,438,060	4,367,554
39,000-	38,999	6,726	2,664	28,781,325	152	629,850	108,374,887	70,268,645	4,285,229
40,000-	39,999	6,654	2,567	28,982,748	165	684,190	107,891,454	69,717,975	4,295,622
50,000-	49,999	44,730	16,909	213,763,512	698	2,867,670	780,944,149	507,215,316	32,891,069
60,000-	59,999	19,566	7,479	119,917,276	187	689,130	416,510,569	271,468,433	19,128,202
70,000-	69,999	9,466	3,553	68,618,539	76	279,110	233,833,613	152,913,696	11,469,544
80,000-	79,999	5,338	2,041	46,541,060	36	135,850	154,870,079	101,368,900	7,961,238
90,000-	89,999	3,240	1,251	32,826,920	29	86,450	108,376,421	71,265,315	5,815,244
100,000-	99,999	2,386	887	26,318,700	20	69,160	85,923,092	56,649,631	4,775,371
110,000-	109,999	1,766	642	21,052,541	11	34,580	68,259,047	44,965,755	3,889,923
120,000-	119,999	1,404	508	20,105,943	4	12,350	58,765,693	38,115,254	3,371,466
TOTALS-	440,216	845,454	258,444	1,963,044,828	181,772	297,021,239	7,699,129,212	4,928,315,918	51,105,472

7.25-00 FAX



Amendments to Senate Bill No. 9  
First Reading Copy

Requested by Senator Klampe  
For the Committee on Finance and Claims

Prepared by Eddy McClure  
December 2, 1993

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 6

DATE 12/2/93

BILL NO. SB 9

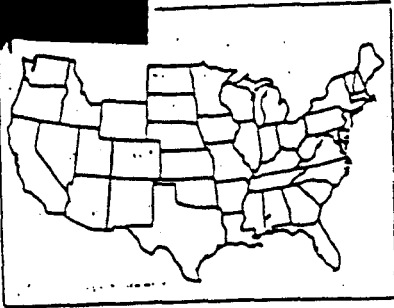
1. Title, line 6.  
Following: "SCHOOL DISTRICTS"  
Strike: "CONSOLIDATE OR UNIFY"  
Insert: "REORGANIZE UNDER THE PROVISIONS OF TITLE 20, CHAPTER 6"
2. Page 1, line 18.  
Following: "agreements"  
Insert: "pertaining to salaries and benefits"
3. Page 1, line 21.  
Following: "20-4-208"  
Strike: "and [section 1]"
4. Page 2, line 2.  
Following: "salary"  
Insert: ", except as provided in [section 1],"

DISCUSSION DRAFT  
FOR RELEASE

JP Jean  
28 Apr 93

9 a.m. — April 30, 1993

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 7  
DATE 12/2/93  
BILL NO. SB 9



SCHOOL  
REORGANIZATION  
IN MONTANA

*A time for decision?*

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*A Report Prepared*

*for the*

MONTANA SCHOOL BOARDS ASSOCIATION

*by*

TED SCHWINDEN, DIRECTOR

LYNDA BRANNON, RESEARCH ASSOCIATE

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*Project SEEDS*

*Schools as Effective and  
Economical Delivery Systems*



The

# PESSIMIST

complains about the wind;

The

# OPTIMIST

expects it to change;

The

# REALIST

adjusts the sails.

Author Unknown

## **WITH APPRECIATION**

The project director wishes to express his personal thanks to the Montana School Boards Association and its Executive Director Bob Anderson for their confidence and support throughout the preparation of this report.

The research assistance of Lynda Brannon was critical to the development of the statistical data included in the report. Her familiarity with school finances and education officials throughout the state proved to be invaluable in collecting and confirming the models of past school consolidation experiences in the state.

Preparation of the report would not have been possible without the support of the MSBA staff, whose talent, encouragement, and good humor were always available ... and crucial ... to its completion.

A special thanks to US WEST and IBM for their generous financial support of the Project SEEDS effort.

Thanks also to the many other contributors, individual and organizational, within and without the educational community, whose willingness to provide information and counsel was essential if the report was to adequately reflect the broad areas of interest in such a sensitive issue.

Finally, this report is dedicated to Dr. Richard Roeder, respected scholar, tireless researcher, good friend. Had unexpected illness not intruded in his life, his contribution to this study would have been invaluable.

Ted Schwinden  
Director  
Project SEEDS

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## PROLOGUE

*"... one of the most formidable barriers to excellence in the schools (is) ... diminishing public commitment."*

Ernest L. Boyer

The temperature hovered at a bitter minus eleven degrees when I drove up to the rear of Kessler Elementary on the western outskirts of Helena. The double doors were blocked open an inch or so with a scrub brush, and a helpful janitor pointed me to the room where the trustees of stand-alone Elementary School District Number 2 were gathered at their regular February meeting.

A quick look around confirmed that Kessler is a "used" school, evidencing recent additions to a building dating back generations. Educational paraphernalia was scattered about in classrooms that had accommodated nearly 300 students a few hours earlier.

Entering the board room to a warm welcome, I joined three other visitors ... two prospective board members and the mother of a kindergarten student currently enrolled in the school. Board Chair Janelle Balazs called the meeting to order and, after approval of the minutes of the January meeting, the board took up claims. Of particular concern was the size of a recent water bill which had prompted a payment delay, and a letter to the city manager. In response, the city conducted a water audit, and issued a warning of service cutoff for non-payment. Advised that the dramatic increase in the water bill was a result of a different lawn watering pattern, and three leaking faucets in the building, the board approved payment, and instructed the principal to make sure the faucets were fixed.

The telephone bill was next on the agenda, and a budget-busting problem with long distance calls produced a motion to develop a telephone log to better control use. With claims approved, the board skipped down the agenda to the item identified as "SEEDS Project--Ted Schwinden."

SEEDS and Schwinden were on the agenda as a result of a telephone call a week earlier from the district clerk, relaying a request to provide the board with an opportunity to provide input into the MSBA study. A

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subsequent call to Mrs. Balazs resulted in an invitation to the February 16 board meeting.

The board wanted an explanation of my research efforts; I wanted their opinions and ideas relative to the issue of district reorganization. My explanation was necessarily lengthy; their input was brief and to the point.

Mandated consolidation of their school with the larger Helena system, they contended, would result in "loss of local control" and "reduce the accessibility and responsiveness of the school" to the district citizens it served. The individual board members ... 3 education professionals in another school district, 2 'private' citizens ... were adamant in their opposition to consolidation, and enthusiastic about the efficiency, effectiveness, and "esprit de corps" of the Kessler staff.

Given the level of their endorsement of their stand-alone system, I felt compelled to ask if they felt that the twelve comparable elementary schools in the larger Helena District 1 would be better served if they were separate districts with locally elected trustees! A moment's hesitation, a few shared glances, and then unanimous agreement that such a structure would be beneficial to students, staff and parents. As I left, Principal Sharon Walker passed me a six page summary of a recent in-house evaluation identifying, among other priorities, "site based decision making." I got the message ... leave us alone!

Driving back to the motel, any doubts that I had retained that school district reorganization was only a matter of numbers ... dollars and cents ... and common sense ... faded faster than the frost on the windshield!

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## INTRODUCTION

*"The mission of the public schools is to meet the diverse educational needs of all children and to empower them to become competent, productive contributors to a democratic society and an everchanging world."*

Washington State School Directors' Association

In October, 1992, the Montana School Boards Association (MSBA) adopted the following resolution:

RECOGNIZING THE IMPORTANCE OF THE DEBATE ON CONSOLIDATION AND UNIFICATION, MSBA WILL DEVELOP A PROPOSAL TO SUBMIT WITHIN 12 MONTHS TO THE LEGISLATURE AFTER CONSIDERATION AND FEEDBACK FROM INDIVIDUAL DISTRICTS AND OTHER INTERESTED PARTIES.

In November, Robert Anderson, Executive Director of MSBA, on behalf of his organization, asked me to direct a project to develop a credible response to the resolution for submission to the Association. Initially, the project was contemplated as a joint effort with the respected historian, Dr. Richard Roeder, as research associate. Unfortunately, medical problems prevented Roeder from participating.

After a brief and unsuccessful search for a replacement researcher, it was agreed that the report would consist primarily of research by Schwinden, with support from the MSBA staff when available. With the concurrence of MSBA, the expertise of Lynda Brannon in the subject of school finance was assigned on a part-time basis to the project. Her responsibility was to develop the data necessary to validate the modeling essential to the report.

This report responds to the MSBA resolution in that it constitutes a discussion draft to be considered by school trustees across the state. It also reflects the contributions of a large number of Montanans whose ideas and input have been solicited on an ongoing basis. In the final analysis, however, total responsibility rests with the author, and represents his best effort to combine extensive research and broad input into a readable and, hopefully, meaningful product.

While the MSBA resolution established with reasonable clarity what the finished proposal was to be, it seems imperative at the outset to



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indicate with comparable candor what the report is NOT. It most certainly is not a professionally-produced research effort with a title page adorned with the names and impressive academic credentials of out-of-state consultants.

The author is a product of the Montana educational system ... from a one room rural elementary school in Northeast Montana through a graduate degree at the University of Montana. That admission carries with it an inherent, and acknowledged, bias: an unwillingness to accept as fact that the system somehow shortchanged him or the thousands of other Montana youngsters then and now who have benefited from it.

This report is not intended to be a criticism of the educational establishment, or of the generations of Montanans who, year after year, generously contribute their dollars and their time to our public schools. However, given that budgetary pressures show little evidence of decreasing, our focus must be on the future and on the steps we could, and should, take to maintain and improve the quality of our elementary and secondary schools.

As the study will document, this report is not the first time that the issue of school district reorganization has been a subject of legislative interest. It is, however, the first time that the elected trustees of Montana school districts have taken the initiative in directing an evaluation of the present structure with a view to reforming it.

In any event, neither past nor present study is likely to be THE final answer to the districting issue. If the experience of other states teaches us anything, it is that ending the debate as to the most efficient administrative structure and the most appropriate focus of control in our public schools is highly unlikely!

It should not be necessary to point out that this report to the MSBA does not include an exhaustive examination of the quality of Montana's kindergarten through grade twelve (K-12) system. Issues such as classroom size, teachers salaries, funding equalization, and special education, e.g., are well outside the scope of this effort. Monetary savings that might be realized as a result of consolidation or unification are obviously a concern of the research. However, time constraints and common sense dictate that cost comparisons cannot be pursued for every combination of districts that might be contemplated in the future.

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The preceding explanation of what this report is NOT, is intended to remind readers ... and the writer ... that the directive of the MSBA was to develop reorganization alternatives and recommendations for their consideration and subsequent submission to the legislature. To that end, the report will first review the history of past school district reorganization efforts in Montana so that we might learn from our past successes, and our past mistakes.

In an effort to correct some of the myths and misconceptions that all too often have characterized the public and political debate about consolidation and unification, the report will also briefly describe the current district structure and the current state of the K-12 delivery system in the Treasure State. Then, using financial data from the most current fiscal years available, mathematical models will be developed to illustrate the fiscal impact of selected reorganizations that have taken place over the past two decades.

Finally, the report will examine alternative proposals for school district reorganization and methods of implementation ... voluntary and mandatory ... and make some recommendations for MSBA to consider. After review by trustees and other interested parties, the report will be finalized and presented to the MSBA at its annual meeting in the fall of 1993.

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## A HISTORY OF FAILURE ... OR SUCCESS?

*"It seems common sense that Montana could well reduce its districts to the number of high school districts, thereby creating more efficiency and economy in school district finance and more leadership in the educational programs to provide quality education, and more specialized programs to adapt to individual needs."*

C.R. Anderson

The newly-created state of Montana wasted little time in focusing its attention on the need to provide an appropriate educational system for its citizens. The 1889 constitutional framers, and the early legislative assemblies, acted promptly to assure that free, common schools would be available to Montana children -- continuing a priority established a century before at the national level. And, it was not long before the state initiated the first attempts to organize school districts in a manner consistent with good management.

In 1899, e.g., the Montana legislature addressed the issue of establishing school districts of sufficient size to permit adequate funding. That year, legislation was adopted creating county high school districts and authorizing a tax on the entire county for the building, maintenance and operational costs of the school. Since no county in 1899 had more than one high school, the measure made sense. Unfortunately the legislature of 1899 could hardly anticipate the later phenomenon of county-splitting, and the emerging disparities in taxable valuation within counties that would encourage the establishment of new school districts as "tax havens."

Even without legislative mandate, local school leaders initiated reorganization efforts. In 1911, four Bitterroot elementary schools consolidated at the urging of the county superintendent. Their effort met with praise from State Superintendent Harmon, whose 1912 report complimented the locals for solving their student transportation challenge. He noted that the consolidated districts had purchased five wagons at a cost of \$225 to \$242.50, each of which could accommodate 18-25 children. In cold or bad weather, Harmon added, "... the wagons can be closed by rubber curtains. Each wagon is provided with six lap robes and ... each is supplied with four Clark footwarmers"! <sup>1</sup>

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In the seven decades that followed the passage of the 1899 law, only one major piece of reorganization legislation was enacted -- in 1919. The County Unit Law passed that year did not require consolidation, providing only that "... any county ... which shall elect to accept the provisions of this act ... (shall) constitute a single district to be known as the 'Rural School District' of the county ...".<sup>2</sup>

The 1919 legislation differed from that of 1899 in that it applied primarily to third class districts, those with a population of less than 1000. Over time, only three counties (Cascade, Choteau, and Carbon) were to take advantage of the law and, in 1941, the legislature repealed it.<sup>3</sup>

Roland Renne, in a 1936 assessment of the public school system in Montana, attributed the failure of the 1919 law to the fact that many people blamed the rapidly rising school costs in the early 1920's on the County Unit Law. Renne also noted that, while the law centralized taxing, it decentralized school authority. Since the county superintendent, the county board of commissioners, and the local trustees ... all elected officials ... shared authority, cooperation was difficult.<sup>4</sup>

In an ironic coupling of events, as the Great Depression intensified across America in 1930, the number of school districts in Montana peaked at an all time high of 2439!<sup>5</sup> Over the next two generations, without legislative intervention, the number of operating school districts in the state slowly decreased to the current total of 503, a reduction that had a direct correlation to the declining farm population of the state which fell by two-thirds between 1920 and the present.

The absence of any significant legislation relating to school district consolidation should not be interpreted to mean that the legislature ignored the issue. To the contrary, in the period between 1930 and the mid-1960s, more than fifty proposals relating to reorganization were introduced in the legislature.<sup>6</sup> None, however, even came close to passage in both houses.

The absence of legislative progress in school district reorganization, may have encouraged the decision by the State Board of Education to try its hand in the game. In September, 1933, the Board listed among its new regulations an accreditation standard requiring that two-year high schools have at least 20 students, and four-year high schools have a

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minimum ANB of 40.<sup>7</sup> More than fifty high schools would have been closed by the imposition of the Board of Education standard. The public reaction was immediate and outraged. The Board promptly reversed its action.

Given the continuing interest in the issue of reorganization, and the repeated failures of the legislature and the Board of Education to act, the 1945 legislature directed Governor Sam Ford to appoint a commission to review consolidation options and report back to the following session. The subsequent 1946 commission report proposed that schools throughout the state be reorganized into enlarged districts established by county committees. A nine-member state committee appointed by the governor would direct the work of local groups, which were required to establish new district boundaries with at least one high school in each. Although Ford endorsed the commission recommendations and they narrowly passed the house, they were rejected by the senate.<sup>8</sup>

Following the defeat of the 1947 measure, a group met in Helena in 1948 and formed the "Montana Citizens' Committee on Education". That Committee developed a series of recommendations which removed some of the provisions of the 1947 commission report that were found most objectionable by consolidation opponents. The revised 1949 proposal, e.g., did not include compulsory reorganization, and did permit a public vote on any reorganization proposal. Moreover, an earlier provision that no district would receive state aid without being reorganized was dropped. The Citizens' Committee also made a part of its report to the legislature the historic school funding proposal that was to become the state public school Foundation Program.

The current controversy and ongoing court struggle over school funding and equalization traces directly back to the 1949 legislative session and the enactment of the School Foundation Program. During that same session, the fifty-year struggle to streamline the educational delivery system begun in 1899 ended -- at least temporarily. The Board of Public Education noted in its 1987 report to the legislature that, in 1949, "... the citizens of Montana were ready for a new funding formula for public education, but they were not ready to reorganize the schools."<sup>9</sup>

A decade after the failure of the legislature to adopt the comprehensive reorganization proposals that were incorporated in the 1949 legisla-

tion, the legislature once again tackled the school issue. Chapter 226, Laws of Montana, 1957, directed Governor J. Hugo Aronson to appoint a ten-member commission composed of representatives of business, labor, farming, livestock and education to study and report on school funding and district reorganization.

The Montana Taxation-Education Commission, chaired by the distinguished State Senator D. M. Manning, contracted with the George Peabody College for Teachers, Nashville, Tennessee, for a comprehensive study of selected school problems. The \$13,000 Peabody study was funded in part by the newly-created Legislative Council. By agreement with the Commission, the Peabody study was to be limited to Organization and Administration; Elementary Education; Secondary Education; and School Finance.<sup>10</sup>

Nearly forty years later, the Peabody Report retains a striking relevance to the current debate over school district reorganization in Montana. It should, in fact, be required reading ... a primer ... for decision makers of the present.

The Peabody Report observed that "The serious need for school district reorganization is well recognized in Montana ..." <sup>11</sup> and proceeded to respond to that recognition by recommending, in part, that the legislature mandate:

"every elementary school district to merge with its high school district so that **ONE** board governed all education in an area ...", and

"state policies and regulations withdraw accreditation and financial support from nonisolated schools which cannot justify their existence (in terms of subjects offered, size of staff and enrollment, nearness to a larger school, etc.) ..." <sup>12</sup>

Strong stuff! Not nearly as strong, however, as the language that urged that reorganization by local districts be rejected in favor of legislatively imposed standards. While recognizing the role that lay citizens can and should play in educational policy and decisions, the Peabody Report concluded that "there are some aspects of education in which lay participation has little to contribute, and in which deference to popular man-on-the-street opinion leads to the abandonment of authority and professional judgment" <sup>13</sup>

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When the Taxation-Education Commission submitted its report to the governor in November, 1958, it incorporated many of the most significant recommendations of the Peabody study. The legislature was urged to legalize only one kind of school district to provide all public school services in a given area, and further require that "all school districts ... operate schools from Grade 1 through Grade 12".<sup>14</sup> The Commission also proposed that a local school study commission be created in every county, and that procedures be established to insure operation of "... only those high schools which are defensible from both an economic and educational viewpoint ...".<sup>15</sup>

Once again, the legislature was provided, at its request, with major recommendations for school district reorganization. Once again, the legislature failed to respond. The fact that the Legislative Council had helped finance the Peabody study may have contributed to the lack of positive legislative action in 1959. The Council was in its first interim of operation after surviving a stormy beginning. Subsequent legislative history was to document that some of the divisiveness that surrounded the creation of the Council was slow in dissipating. In the early 1960's, Council recommendations that followed Council studies mandated by the legislature met with minimal success when the full legislature convened in the following session.

Although the 1959 legislature passed no specific district reorganization laws, it proposed yet another study. House Bill 306, introduced by Representatives Barrett and Hawks, created a commission to be appointed by the Superintendent of Public Instruction consisting of legislators, school administrators and school trustees. With its \$25,000 appropriation, the commission was to provide a "complete study and review of the organization of school districts in each county ... (taking into consideration) the convenience of the pupils, obstacle to transportation including mountains, rivers and existence or non-existence of highways, representation on the boards of trustees of enlarged districts of each board of trustees of all rural and outlying areas, and the financial support of the schools with equitable taxation of property for school purposes." No small agenda!<sup>16</sup>

Despite overwhelming legislative approval, H.B.306 received a cool reception in the office of the governor. In his March 16, 1959, veto

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message. Governor Aronson described the purpose of the bill as worthy and laudable, but criticized the proposed membership of the commission for failing to include representatives of business, labor, farming and livestock.<sup>17</sup> The Galloping Swede also expressed his displeasure at the \$25,000 price tag of the study commission, noting that the recommendations of the Peabody group and the Manning Commission were available. As an alternative, Aronson proposed that the superintendent of public instruction could create a study group and approach the following session with a claim for costs incurred!

In the years that followed the Peabody report the issue of school district reorganization drifted off center stage. One can only speculate as to the reasons for the shift of focus away from an issue that had been a topic of intense political concern for so many years. Perhaps the changes that were beginning to take place as the decade of the 1960's opened left little room for debate about school district reorganization.

In 1961, the historic dominance of the Anaconda Company-Montana Power Company alliance in Montana politics sharply diminished as the two entities pursued differing objectives. Coincidentally, the sale of the Anaconda daily newspapers to the Lee chain invigorated the Montana media, and spawned an ambitious and talented corps of young reporters who opened up the political process to public scrutiny. The Vietnam war and the rising tide of antiwar activism was creating wounds whose scars were to take another generation to erase. And, late in the decade, the sales tax emerged as a divisive political issue that ultimately ended sixteen years of GOP control of the governors' office.

Undaunted by the potential for controversy and the lack of interest in school district reorganization in the 1960's, newly-elected State School Superintendent Dolores Colburg made a strong case for changing the public school delivery system as the decade of the 1970's began. Writing in the *Montana Business Quarterly* in 1972, Colburg argued that "School district reorganization is one of the singularly most important concerns confronting Montana education today".<sup>18</sup> The state school chief asserted that "... our present-day antiquated, outmoded, inefficient, uneconomic, and cumbersome school district structure has a direct and significant impact on the quality of education that our schools are able to provide," and she added that "In truth, perhaps present school district



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organization is a hindrance to equal educational opportunity." Despite that harsh assessment, however, Colburg concluded that "The closure of schools is and should remain the prerogative of the people and the boards of trustees of the school districts themselves" and that decisions on school operation must continue to be made on the basis of "... local needs, interests, availability of personnel and services and public convenience."<sup>19</sup>

Colburg's appeal for action on school district reorganization fell on deaf ears. If the 1960's were destined to bring Montana out of the 19th century, the decade that followed was to prepare it for the 21st! In the words of one respected Montana historian, the 1970's were a decade of "revolution."<sup>20</sup>

In 1960, the U.S. Census Bureau defined Montana for the first time as an urban state, with a majority of its people residing in a half-dozen counties. The urbanization of the state was promptly followed by legislative reapportionment, a reform mandated by Montana courts following the U.S. Supreme Court implementation of the 'one man-one vote rule'. The citizens of Montana, informed and encouraged by the invigorated Montana media (now including television), were prepared for change. State government promptly responded with a major reorganization of the executive branch, and the passage of a constitutional referendum that was narrowly approved by the voters. Environmental issues literally exploded as the prospect of massive coal mining in southeast Montana brought predictions of widespread devastation and social upheaval.

The old issue of school district reorganization may have wound up on the back burner in part due to public preoccupation with the unprecedented wave of political reforms. A more likely explanation may well lie in the fact that the 1970's were a time of escalating inflation, population growth ... and general prosperity! History provides ample evidence that demands for tax reform and calls for governmental efficiency are much less likely to arise in good economic times than in times of economic stagnation and budget deficits. The late 1980's and early 1990's were to prove once more the validity of that axiom.

If the 1970's and the 1980's were decades of relative calm insofar as the issue of school reorganization was concerned, the state budget crisis that emerged in the 1990's shattered that tranquility, and sharply

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focused the attention of taxpayers and voters on the cost of education in Montana. The reality of a budget shortfall estimated to exceed \$300 million at the beginning of the 1993 legislative session led to new demands for school efficiency and the elimination of "frills".

An irate Missoulian editorial writer, in November before the legislature convened, took sharp exception to the idea that school consolidation would not save money. "Common sense argues otherwise" the editor asserted, noting that "Montana has something like one out of every 10 school districts in the nation--far more than can be justified by the number of students being educated."<sup>21</sup> Alleging an excessive number of school administrators and trustees, support systems and state regulators, the Missoulian concluded that if 56 counties could serve the needs of Montana parents, then 56 school districts could do the same for their children.

The opening salvos of a new attack on the existing educational delivery system may have been launched by the media, but politicians of both parties were also coming up with solutions. From the governor's office and from the halls of the legislature, proposals were offered that ranged from mandated countywide districting to narrowly-focused efforts to control administrative and extracurricular costs of public schools.

Unfortunately, but inevitably, the political debate over school administration became emotional, and traditional divisions between rural and urban jurisdictions were quickly reestablished. The 1993 legislative session was barely underway when a proposal by Representative Swanson to financially penalize small, non-isolated high schools for failure to consolidate was heard in a House committee. In Swanson's words, the measure encountered a "tornado" of opposition.<sup>22</sup> Research on this report was barely underway and school consolidation already appeared to be a political issue "too hot to handle".

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## MONTANA'S PUBLIC SCHOOLS--WHO'S IN CHARGE?

Powerful -

THE SUPERVISION AND CONTROL OF SCHOOLS IN EACH SCHOOL DISTRICT SHALL BE VESTED IN A BOARD OF TRUSTEES TO BE ELECTED AS PROVIDED BY LAW

Article X, Section 8, Montana Constitution, 1972

Article X, Section 8, of the Montana Constitution appears to bestow upon local school district trustees extensive control of their local schools since the language adopted by the 1972 convention delegates is significantly different than Article XI, Section 10, of the original 1889 constitution. The earlier document provided only that "The legislative assembly shall provide that all elections for school district officers shall be separate from those elections at which state or county offices are voted for."

Debate during the 1972 convention also seemed to reflect a desire by the delegates to strengthen authority of local school trustees. When the Education and Public Lands Committee brought its report to the floor of the 1972 convention on February 22, Section 8 essentially represented a reiteration of the provision in the 1889 constitution concerning trustees. The new section provided only that "The legislative assembly shall provide for elections of school district trustees."<sup>23</sup>

Weeks later, when Delegate Champoux moved for adoption of Section 8, a short but spirited debate ensued. Delegate Helliker expressed concern for the autonomy of local schools, particularly in light of the trend toward more substantial financial contributions from the state. He went on to ask that the convention "... give constitutional recognition and status to the local boards ..." to allay fears and be parallel to the treatment given universities through the regents.<sup>24</sup> Committee Chairman Champoux responded in a very positive manner, reiterating the belief of his Committee that "... the local school board is the very basic foundation of our educational program ..." and the convention "... does want local control to remain with the local school districts ...".<sup>25</sup>

Delegate Helliker sought to amend Section 8 by adding that "The supervision and control of schools in each district shall be vested in a school board."<sup>26</sup> Delegate Mahoney, a long-time senator from rural Garfield County, rose to defend local school trustees, and expressed his concern by saying "I'm afraid we are building the State of Montana into

one school district ...".<sup>27</sup> Champoux then vouchsafed that local boards "... are probably 200 percent more involved in this Constitution than they ever were in the last ...".<sup>28</sup> The amended Section 8 was then adopted and, as redrawn by the Committee on Style, assumed its present form in our Constitution.

The first test of the extent of local school trustee control was not long in coming. In a 1976 court case involving the issue as to whether a dismissed teacher could secure a hearing before a County Superintendent for relief from a local school board decision, the Montana Supreme Court found for the plaintiff. The Court reviewed the transcripts of the constitutional convention noted above and rejected the assessment that Delegate Champoux had made regarding '200 percent more involvement' by boards than in the past. The Court concluded that "... it appears that the delegates were chiefly concerned with the preservation of *existing local board control and power* -- not with expansion of local power and control."<sup>29</sup> The Court went on to add that "There is no doubt the local boards of trustees are subject to legislative control and do not have control over local schools to the exclusion of other government entities."<sup>30</sup> It should be noted, however, that since teachers had been able to appeal dismissals prior to the adoption of the new constitution, the legislature could reasonably be expected to allow such appeals to continue after its adoption.

The 1972 constitutional delegates also saw fit to insert another element into the public school administration formula. Article X, Section 2, (3) created a "... board of public education to exercise general supervision over the public school system ...", with its duties to be prescribed by law. While the Board of Public Education, to the present time, has exercised no direct responsibility in the area of school district reorganization, exercise of its authority over such policies as curriculum and accreditation can have a major impact on schools.

The 1972 constitution also created the office of Superintendent of Public Instruction, a position to be filled by general election every four years. Article X of the 1972 constitution provides that the superintendent is a member of the State Board of Land Commissioners, and serves as an ex-officio member of the Board of Public Education. However, it is clear that the major day-to-day responsibilities of the superintendent are

It could exercise control over reorganize but it hasn't  
e.g. —

those specifically established by the legislature. While those duties are extensive, they are subject to legislative control; historically, the superintendent has rarely intervened in school district reorganization issues.

i.e.  
The legislature  
controls  
the superintendent  
of public

So, as the debate over the issue of school district reorganization continues, the question of who is in charge receives a mixed response. While the Montana Supreme Court has ruled that the control of local trustees is subject to legislative authority, the state constitution strongly reinforces the philosophy that local elected officials are to have a strong voice in local school decisions.

★

The State Board of Public Education is a major player in the educational game with a role difficult to measure. Certainly the Board could utilize accreditation standards as a reorganization tool under its constitutional authority to "exercise general supervision over the public school system."

★

The Bd of Pub  
could adopt  
stringent  
for accreditation

The policymaking role of the superintendent of public instruction is effectively restricted to input on the boards of public education and land commissioners. However, as the most visible statewide elected education official, the superintendent could exercise an important leadership role in the school district reorganization debate.

But not  
Regulatory -

Without question, the legislature has the potential to dominate the reorganization debate and decide the fate of local schools. For more than a century it has pondered decisive action but rarely acted in a decisive manner.

Who controls Montana's public schools, particularly as regards the reorganization issue? Historically, local boards of trustees in the absence of major participation by the other constitutional entities have been the driving force in reducing the number of school districts by nearly 2000 in the last sixty years. The question today, then, is whether that pattern will be continued in the future.

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## IF IT AIN'T BROKE ... DON'T FIX IT!

*Excellent!*

*"We must not act in haste and run the risk of forever crippling our children's opportunities. We must remember that schools don't belong to the bureaucracy, children don't belong to the bureaucracy, they belong to people--to families and communities."*

Superintendent Nancy Keenan,  
Address to a joint session of the 1993 Montana legislature

*"It is well known that the quality of education in Montana is among the highest in the nation."*

Report by John Adams and John Pincus, Rand Corporation, for the "underfunded schools suit" in 1993.

In an excellent report prepared for the Nebraska Rural Community Schools Association in 1988, Dr. Jonathan Scher began with the following statement:

"Viewed from afar, Nebraska seems like a state that has solved the educational riddles baffling the nation."<sup>31</sup>

Early in my research I encountered the Scher paper and the observation expressed by him was one that troubled me in reflecting on the Montana K-12 system. In my experience, it had also seemed to me that the national education crisis documented weekly in the media--dangerous schools, high dropout rates, illiterate graduates--had only minimal relevance to Montana.

In recent months, however, political leaders and editorial writers have expounded at length on the shortcomings of the educational delivery systems in Montana, especially with regard to top-heavy administration and the overabundance of school districts in the state. Outgoing Governor Stan Stephens made reorganization a major priority in identifying a host of educational reforms. The 1993 legislature also made reorganization an initial focus of concern, as evidenced by the introduction of legislation that ranged from a bill to shift a significant part of the costs of small schools to local taxpayers, to various measures to limit school administration costs that would be financed by the state.

The action of MSBA in adopting the October resolution that precipitated this report brought a new emphasis to the reorganization issue. The

MSBA initiative signaled the intent of local trustees to take an active part in the renewed debate over ways to save money and improve the quality of education.

Before exploring the validity of the assumption that the consolidation and unification of Montana school districts will indeed reduce overall costs and offer the opportunity to use those dollars to maintain and improve the quality of the public school system, it seems imperative to examine what we are "fixing".

Yes! | The basic issue of whether we have "good schools" in Montana is a different issue than the question of whether the system that delivers K-12 education in Montana is inefficient. Most Montanans, I believe, feel that children are getting a good education in their local schools. Many Montanans also believe, based on my contacts over the years, that the "system" is not as good as it used to be, and that public education has become too expensive, over administered, and unaccountable. I would hasten to add, however, that most citizens feel it is schools other than their own that are the problem!

Are our kids and grandkids getting a good education? Scores they receive on national tests are one measure of what they have learned. The answer seems to be, quite a lot. Nearly one-fourth of the 1992 Montana high school students took the SAT test and, on average, scored 42 points higher than the national average in verbal, and 47 points higher in math. Montana students who took the ACT tests also scored above the national average in 1992.

Montanans pay for good schools. 1989-90 per pupil expenditure in Montana was \$4736, placing our state 24th nationally by that measure of citizen commitment. Regionally, Montana fell below Wyoming with a per pupil expenditure of \$5577, but was substantially ahead of North Dakota, \$4189, and South Dakota, \$3732. Idaho with a per pupil expenditure of \$3078 ranked near the bottom with Alabama, Mississippi, and Utah!<sup>32</sup>

Montana continued to lag nationally in terms of average teacher salaries at \$26,696 in 1990-91, compared to \$32,880 nationally. Regionally, however, Montana teachers were compensated, on average, significantly ahead of the Dakotas, Idaho and Utah ... trailing only Wyoming in that category.<sup>33</sup>

i.e  
above X  
SAT + P

i.e w  
spend  
an aw  
auto  
to edu  
oor k  
in an  
above  
aver  
MA

Despite Montana's low population density ... trailing only Alaska and Wyoming ... our schools boast the third best high school completion rate in the United States, positive evidence of the commitment of educators, parents and students.

3rd  
best  
grad  
rate

Finally, it must be noted that if the Montana school system is not as good as some would like, it is not for lack of opportunity of the citizenry to improve it. The existence of more than three hundred school districts scattered throughout the state is viewed by some as an expensive and unnecessary burden. Others note, however, that Montanans have more than 1600 trustee neighbors who volunteer their time and energy to manage the schools throughout the state. Montanans place an extremely high value on accessibility to the public officials whose decisions affect their lives, be it the governor, legislator, county commissioner, city official, bureaucrat in Helena, or a school trustee! Not only do the citizens of our state have an elected school official as a neighbor, they also have the opportunity to seek the responsibility that goes with election as a school trustee.

As the alternatives to school reform are debated in the years ahead, we must recognize that our goal is to improve a good system, not to replace a failed one.

☆ { average (24<sup>th</sup>) expenditure/pup  
above average SAT + ACT  
3<sup>rd</sup> best matriculation rate

Can we improve this?

Maybe -

How?

1) Dump Tenure!



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## MONTANA SCHOOL DISTRICTS . . . COMMON SENSE OR COMPLETE CHAOS?

*"In contrast to many states, Montana retains its original school district structure which was designed for a rural society in a pioneer era."*

Winston W. Wetzel

The degree of difficulty involved in describing the existing education delivery system in Montana may well be indicative of the immensity of the challenge associated with changing that system. After hours of reviewing county maps generously provided by school superintendents around the state, it is still hard for me to grasp the geographic complexity of the 503 elementary, high school, and combined districts that currently serve Montana students, K-12. Those same maps graphically -- and dramatically -- illustrate the monumental challenge associated with transporting thousands of students to school each day at a cost of nearly \$35 million annually! (See Appendix V) Montana's remaining school districts -- survivors of the 2439 that existed more than sixty years earlier -- serve student populations as large as Billings with more than 15,000 students, and as small as Deep Creek with one!

Montana's present public school system has resulted from a combination of factors: changing population patterns, declining farm population, economic pressures, and parental demands for quality education in a highly competitive global society. Very few districts disappeared because of legislative initiatives or mandates. Local people, and local trustees, effectively brought about the reduction in numbers. Whether that historic pattern of locally-driven district reorganization will continue is at the crux of the MSBA resolution of October, 1992.

The 503 school districts operating in Montana as the 1992-93 school year began included 339 stand-alone elementary districts, 148 high school districts, and 16 unified (K-12) districts. In addition, there are eleven districts that do not currently operate a school. A table in the appendix lists the districts by county. (Appendix I)

After more than one hundred years of statehood, and countless debates over reorganization of school districts, only Petroleum County operates with a single school district as the 1992-93 school year began.

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In April, 1993, Wibaux citizens voted to unify their elementary and high school raising the total of counties with unified school systems to two.

Topping the list of counties with the largest number of school districts is Flathead with 23 districts; Yellowstone, 21; Gallatin, 20. Garfield County, with a total student population of slightly over 300 has 12 districts, of which 11 are elementary. Nine of those Garfield County elementary districts are one room schools serving a sparse and widely dispersed population.

That brief description of the school district picture in 1993 indicates the diversity of the delivery systems that Montanans have established over the years. An enumeration of the varying administrative mixes that have been put in place over those years testifies to the ingenuity of the district trustees in reconciling geographic reality with administrative efficiency.

Unfortunately, those who criticize the K-12 delivery system often fail to differentiate between 'districts' and 'administrative units'; a failure that all too often creates an inaccurate perception of the so-called problem of too many districts and too many bosses. The existence of a school does not necessarily indicate the presence of a district; the elimination of a district certainly does not mean the elimination of a school; and, the consolidation of two or more schools--or two or more districts--does not necessarily result in a reduction in the number of administrators! Confusing--you bet! But, hopefully, understandable if one takes the time to examine a relatively few facts.

A school district is a legal entity organized to provide educational services under the jurisdiction of elected trustees. The administrative structure of a district, at minimum, can be a board of trustees, a clerk, and a supervising teacher of a small elementary school. Currently there are 149 such entities in the state, and most, if not all, of those schools will be in place into the next century! Elimination of the districts within which those schools are located will have no impact on the need to provide a learning center in remote rural settings. Since school trustees serve without compensation (except reimbursement for travel in some instances), and clerks in districts with one small school are compensated at modest levels, district administrative costs are modest. A sampling of these small stand-alone elementaries in 1990-91 include the following

examples of general administrative costs: Prairie Elk District 6, \$1511; Hall Elementary District 8, \$754; Raynesford District 49, \$3101.

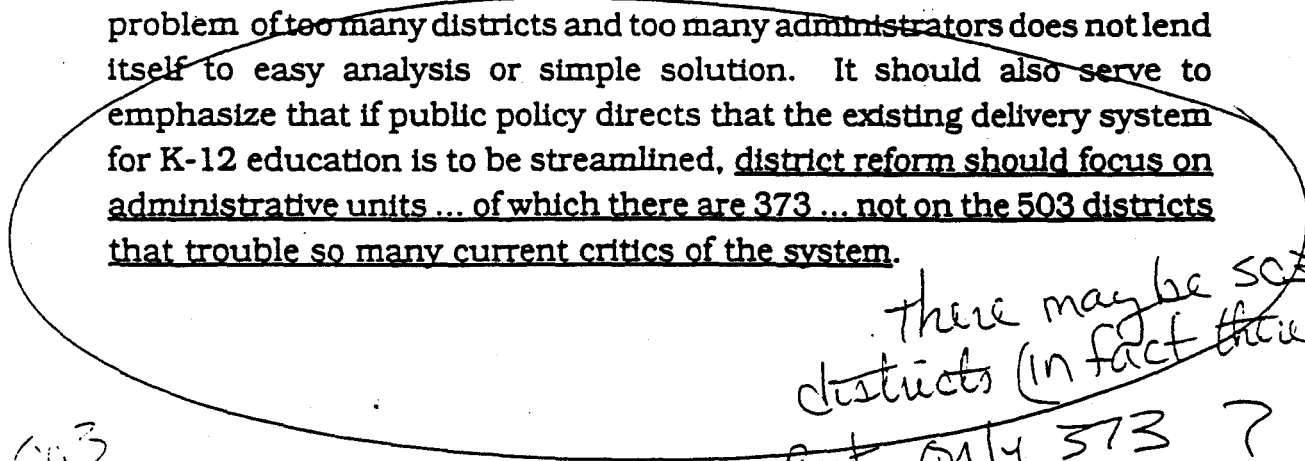
The issue relative to our 149 single-school elementary districts is not one of reorganization for the purpose of cost reduction. The question that must be addressed is whether there is effective cooperation between the administration of the high school district where the K-6 or K-8 graduates from those schools will attend, and the board of the elementary school from whence they came. Coordination should include such areas as curriculum, cooperative purchasing, and sharing of special services.

In the remaining 354 operating districts, a remarkable array of administrative structures have been developed to deliver educational instruction. By law, each district has an elected board of trustees which exercises general control and supervision of the school, or schools within the district boundaries. For the majority of those 354 districts, the similarity ends there.

The 1992-93 Directory of School Officials, published by the Office of Public Instruction, lists 191 individuals who carry the title of 'superintendent'. Of that number, however, only 100 are the superintendent administrators of a school district. The other 91 individuals identified as superintendent serve in a variety of roles. Their responsibilities range from superintendent/high school principal, superintendent/principal K-8, to superintendent/principal K-12!--and about every other combination of duties possible, including classroom teacher!

The above information should not be interpreted as the opening argument in defense of the status quo. Rather, it is intended to demonstrate that it is critically important to recognize that the perceived problem of too many districts and too many administrators does not lend itself to easy analysis or simple solution. It should also serve to emphasize that if public policy directs that the existing delivery system for K-12 education is to be streamlined, district reform should focus on administrative units ... of which there are 373 ... not on the 503 districts that trouble so many current critics of the system.

only  
191 sc  
91 of  
are als



There may be 503 districts (in fact there are) But only 373 administrative districts?

503  
- 130  
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373

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## DISTRICT REORGANIZATION . . . TRIMMING THE "FAT"

*"Montana's politicians will not save money in their efforts to consolidate or unify school districts."*

Garret Franks, former superintendent,  
Shields Valley Public Schools

*"Townsend school is a better educational community because of unification. Financial and physical resources are better utilized. Administrative tasks are more streamlined and effective. There have been some cost savings, but that was always seen as a secondary goal. The primary goal was, and remains, to provide the best education for all our students K-12."*

Al McMillin, Superintendent,  
Townsend Schools

The 1992 MSBA resolution not only asked for a report on the feasibility of school district reorganization, it also contemplated the likelihood that some, or all, of the recommendations of this report would be transmitted to the legislature. Since much of the recent criticism of the current district structure has focused on the number of existing districts, the following discussion sets forth a series of options which could be implemented to reduce the total number of districts, and the number of administrative units.

Visualized as a series of steps, the reorganization options listed below reduce, with increasing impact, the total number of school districts in the state:

1. No action
- └─ 2. Create joint boards at county high schools.
- └─ 3. Create K-12 systems where district boundaries are coterminous.
- └─ 4. Consolidate small, non-isolated high schools.
- └─ 5. Establish K-12 unification statewide.
- └─ 6. Establish countywide districts.
- └─ 7. Create a single statewide district.

unification  
of all  
schools

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In the initial phase of the preparation of this report, I shared this step approach to school district reduction with an experienced and respected educational veteran, Dr. Wayne Buchanan, Executive Secretary, Board of Public Education. While agreeing with the methodology, Buchanan suggested that one additional step should be considered. Noting the growing consensus among educational leaders as to the value of site-based school management, he urged that the idea of creating additional school districts in Montana be explored!<sup>34</sup> After extensive review of current educational articles, it is clear that it would be a mistake not to include assessment of the site-based management concept and its possible application in Montana. That discussion will be found in the supplement to this report.

**No Action:**

It seems safe to say that, for the entire history of Montana, official state government policy with regard to school district reorganization has generally been one of "no action". The legislature has enacted permissive legislation designed to simplify the process of district reorganization, and given financial incentives to districts that choose to consolidate. The fact remains, however, that most school districts disappear as a result of local initiative. For that reason, it can be argued that "no action" has been reasonably successful as state policy. From school district peak numbers of 2439 in 1930, the current level of 503 districts represents a reduction of nearly 80% ... not without local debate and controversy, but absent significant state involvement.

Clearly the many dramatic changes in Montana's social, economic and political structure over the years since 1930 have influenced the decisions of local people relative to the operation of their schools. Vastly improved roads and transportation, declining farm population, growing urban numbers, modifications in the tax base, more demanding accreditation standards, and parental demands for improved diversity and quality of curriculum were major factors in transforming "no action" state policy into reorganizational progress.

**Eliminate County High Schools:**

If the legislature decides to prioritize reduction in the number of school districts in the state, and to adopt new laws that encourage, or require, school district reorganization, a modest change in the current

law could result in elimination of the handful of current districts that exist as vestiges of the old county high school system created in 1899. The state currently has only eight such schools (Beaverhead, Broadwater, Carter, Dawson, Garfield, Missoula, Powell and Sweetgrass), down from a high of twenty in the past. None of the eight share a board of trustees with the local elementary district, but four (Broadwater/Townsend, Carter/Ekalaka, Dawson/Glendive, and Garfield/Jordan) share superintendents. In Dillon, Missoula, Deer Lodge and Big Timber, separate and distinct administrative structures exist for the elementary and high schools in those communities. Removal of the 'county' designation for a high school, accompanied by a requirement that non-joint board community systems convert to a single board could reduce the number of total districts by eight.

**Unify Coterminous Districts:**

As this report was being finalized, Senate Bill 307 was enacted into law. That measure requires each elementary district with the same boundaries as a high school district form a K-12 district by July 1, 1995 -- with an exemption to protect districts receiving Public Law 874 funding. Seventy-two Montana school districts are affected by the legislation resulting in a potential reduction in total district numbers of 36 by mid-1995. (Appendix II) Moreover, the newly-created K-12 districts will be able to utilize a single budget for costs of operating all grades and programs of the district.

e.g.  
Florence

**Consolidating High Schools:**

Perhaps no single reorganization option has the same potential to create controversy as a requirement that every 'non-isolated' high school must have a minimum number of students in attendance. As noted earlier, a 1993 legislative proposal to require certain small high schools to consolidate or face substantial reduction in state funding brought protests from around the state, and the prompt tabling of the measure.

A quarter century ago, L. E. Scaar examined the recommendations of some twenty-seven authorities who had evaluated the minimum, maximum and optimum district sizes necessary to provide quality high school education in the U.S. The smallest student populations recommended was a total of 300 proposed by the National Commission on School District Reorganization. The largest minimum suggested was

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2500 students by several experts. The smallest optimum enrollment recommendations ranged from a relatively modest 500 students proposed in a New Hampshire study to a mindboggling 20,000 in the Ohio Master Plan of 1966!<sup>35</sup>

In 1990-91, of 163 Montana high school districts seven had student enrollments of more than 1000; eight had enrollments from 500-999; thirteen had enrollments of 300-499. It should be obvious that the application of national size criteria to Montana high schools is fraught with problems. 'Small', when used in determining whether it is appropriate to close or retain a high school in Montana, is a flawed factor at best. It is not, however, a consideration to be ignored.

During the entire period of the preparation of this report, despite numerous inquiries and interviews, I found no convincing evidence to indicate that there is some critical level of student population where effective use of administrative and teaching staff and availability of diverse programming come together to create a "good" program. Education professionals I consulted suggested that 150, or 75, or even 35 high school students are sufficient to meet both educational and efficiency standards.

Since there is little or no hard evidence to support any minimum acceptable number of students in a Montana high school, any number selected is suspect. That vulnerability, however, cannot be used as an excuse to avoid the question that troubles parents and educators alike. Can a school be too small to offer the program diversity that equips its graduates to meet the challenges of modern society? Can a school be too small to match the learning potential of its students, thereby shortchanging them in their quest for information? Can a school be too small to attract good staff, and use that staff in an effective and efficient manner? Those questions reach well beyond the simple issue of fiscal viability.

**Mandate K-12 Districts:**

Long a preferred option by many, statewide K-12 districting could reduce the total number of districts to at least 164 ... the current 148 high school districts in the state, plus the 16 districts that are already unified. Mandated K-12 unification over a reasonable time period to allow adequate local input into the reorganization of district boundaries would unquestionably cause some reduction in top level administration. Coor-

dination of elementary and high school services and programs would be expected to be substantially enhanced over time. Operating both high school and elementary programs with a single budget would permit management flexibility to the trustees and the administrators.

**Countywide Districts:**

Writing in 1964, Winston Wetzel noted that "... all studies and evaluations of Montana's school district structure which have been made over the past twenty-five years have recommended that the county be utilized as a unit for study of reorganization or as a basis for the restructuring plan to be used."<sup>36</sup> Wetzel added his own endorsement, characterizing the county unit as one which would "... best serve Montana education ...".<sup>37</sup>

The recommendation of the county as a model for reorganization by outgoing governor Stan Stephens in late 1992 gave new impetus to an old idea. Because the potential for ANB aggregation in a countywide reorganization would result in a significant reduction in state funding based on existing foundation program schedules, the Stephens proposal was likely rooted more deeply in fiscal urgency than educational reform.

First initiated as a means to assure that all the taxpayers of a county would share responsibility for funding, the county school district concept lost ground as disparities in property valuation encouraged taxpayers in favored areas to sever from less prosperous neighbors to avoid paying for a neighboring school. While the recently adopted Guaranteed Tax Base legislation has reduced the importance of district taxable valuation differentials, the current court battle over equalization demonstrates that equality is still out of reach.

While a decision to establish countywide districts would result in a major overhaul of the existing administrative hierarchy, it may prove difficult to identify major reductions in total cost of schools. However, if county districts were required to aggregate the ANB to the county total, as opposed to the learning center totals, the potential savings to the state are very significant. Table I illustrates the impact on state funding if three smaller counties were established as county school districts and the ANB of existing elementary schools were aggregated under schedules in place at the beginning of the 1992-93 school year. Identifying the

YES -  
Two are  
separate counties



totals in the right hand columns as savings is highly misleading since, other things being equal, county taxpayers would be expected to replace state savings with local property tax levies! In Carter County, e.g., the elementary schools receive a total of \$433,253 in Foundation payments. Under the aggregation format the state payment would drop to \$365,578 ... the \$65,675 loss to be made up by property taxpayers in the district!

**TABLE I**

**CARTER COUNTY DATA**

ASSUMPTION: COUNTY WIDE DISTRICTS

	ANB	PER ANB	TOTAL FP	GTB
TOTAL K-8 FUNDING	118.00	2097.34	243291.44	0.00
TOTAL 7-8 FUNDING	38.00	3218.09	122287.42	0.00
<b>TOTAL COUNTY ELEMENTARY</b>			<b>365578.86</b>	

CURRENTLY AS SEPARATE DISTRICTS

TOTAL FP	GTB	POSSIBLE SAVINGS
302226.38	0.00	-58935
131027.56	0.00	-8740
<b>433253.84</b>	<b>0.00</b>	<b>-87675</b>

**DANIELS COUNTY DATA**

ASSUMPTION: COUNTY WIDE DISTRICTS

	ANB	PER ANB	TOTAL FP	GTB
TOTAL K-8 FUNDING	254.00	1913.00	485902.00	0.00
TOTAL 7-8 FUNDING	82.00	2640.75	216541.50	0.00
<b>TOTAL COUNTY ELEMENTARY</b>			<b>702443.50</b>	

CURRENTLY AS SEPARATE DISTRICTS

TOTAL FP	GTB	POSSIBLE SAVINGS
524924.93		-39023
302886.76		-86325
<b>827791.69</b>	<b>11802.00</b>	<b>-136950</b>

**GARFIELD COUNTY DATA**

ASSUMPTION: COUNTY WIDE DISTRICTS

	ANB	PER ANB	TOTAL FP	GTB
TOTAL K-8 FUNDING	213.00	1972.90	420227.70	0.00
TOTAL 7-8 FUNDING	43.00	2796.00	120228.00	0.00
<b>TOTAL COUNTY ELEMENTARY</b>			<b>540455.70</b>	

CURRENTLY AS SEPARATE DISTRICTS

TOTAL FP	GTB	POSSIBLE SAVINGS
585488.84		-165238
137201.82		-16974
<b>722690.66</b>	<b>172187.00</b>	<b>-354400</b>

IF THE HIGH SCHOOLS IN DANIELS COUNTY WERE CONSOLIDATED INTO 1 COUNTY WIDE DISTRICT

COUNTY WIDE HIGH SCHOOL DISTRICT

	ANB	PER ANB	TOTAL FP	GTB
TOTAL 9-12 FUNDING	153	3223.56	493204.68	0.00
<b>TOTAL COUNTY HIGH SCHOOL</b>			<b>493204.68</b>	

CURRENTLY AS SEPARATE DISTRICTS

	ANB	TOTAL FP	GTB	POSSIBLE SAVINGS
FLAXVILLE	27	159992.28	0.00	
SCOBAY	89	353782.44	0.00	
PEERLESS	27	159992.28	0.00	
<b>INDEPENDENT DISTRICTS</b>	<b>153</b>	<b>673767.00</b>	<b>0.00</b>	<b>-180542.32</b>

Table I also shows the dramatic loss of Foundation Program payments if all the high schools in Daniels County were mandated to consolidate as a countywide district. County taxpayers would be required to levy sufficient mills to make up for a drop of \$180,562 in state aid.

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### **Statewide District:**

Only Hawaii has chosen to implement a single district, state administered public school system. Given the long-standing aversion of Montanans to state-directed controls, I consider it a waste of effort to seriously consider adopting a statewide district. Even absent the historic suspicion with which our citizens regard Helena-based decision making, the size and geography of the Treasure State make day-to-day administration of our dispersed school system from a central office an unlikely choice for the future. I concluded that the likelihood of Montana substituting a Helena-based administrative unit for our existing system was about as likely as Jim Hills' prediction of a "banana belt" economy along the Hi-Line becoming reality; at least until global warming reaches the Canadian border!

Summing up, an array of reorganization options are available for implementation by the legislature. Each can be found operating elsewhere in the U.S. with varying degrees of success as measured by student performance, graduation rate, and other factors. Each option would encounter opposition in Montana, most would find some support.

Inevitably, political and educational leaders in the state must weigh not only the fiscal consequences of school district reorganization proposals, they must also reckon with the public reaction to those proposals. Somewhere along the line, political leaders, education professionals, and the public must consider the most important question of all: will changes in administration produce a better educational opportunity for the students who pass through the doors of Montana's public schools?

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## WHAT WILL YOU HAVE ... SMALL, MEDIUM, OR LARGE?

*"A multiplicity of general-purpose and special-purpose governments. . . is not an obstacle to good government. . . . On the contrary, a diversity of local governments can promote key values of democratic government--namely, efficiency, equity, responsiveness, accountability, and self-governance. A multiplicity of differentiated governments does not necessarily imply fragmentation; instead, such governments can constitute a coherent local public economy."*

Advisory Committee on Intergovernmental Relations

As a Reagan appointee and a minority member of the Advisory Committee on Intergovernmental Relations (ACIR), I quickly became accustomed to voting on the losing side -- and to accommodating overblown bureaucratic prose! It was not hard, however, to support the ACIR position cited above. Boiled down to essentials, the ACIR concluded that bigger is not always better, even in the delivery of government services -- including educational services. That a philosophy of decentralization would emanate from the conservative majority of Reaganites on the ACIR is not surprising. That the benefits of a decentralized government would be hailed at the same time that educational writers were beginning to seriously question the value of school district consolidation is probably more coincidence than conspiracy.

In a recent evaluation of school district reorganization options, writer E. Robert Stephens observed that the "... claim that larger systems are more efficient economically is not supported by recent research ...", and that "... the claim of superior quality of programs of larger systems, is also questionable on the basis of mixed evidence ...".<sup>38</sup> He also points out that the emergence of strong rural school interest groups made "... mandated reorganization--often a highly emotional issue among local citizens--less feasible politically." Eroding political will he notes, has prompted the discovery of other "... viable program delivery options that held promise of alleviating a number of issues facing rural schools ...".<sup>39</sup>

To shape policy for the next century, I am convinced we must heed the advice of another educational writer, H. L. Hodgkinson, who

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advanced the concept of "all one system" in 1985. The premise of "all one system" is that state government and educational leaders need to abandon the time-honored tradition of seeing education as a set of discrete institutions; kindergartens, elementary schools, middle schools, senior high schools, two year colleges, four year colleges, and universities with graduate program. "People working in each of the above institutions have virtually no connection with all the others . . . . Because of this, the school is defined as the unit, not THE PEOPLE WHO MOVE THROUGH IT. The only people who see these institutions as a system are the students ...".<sup>40</sup>

The reality of educational separateness was brought home to me sharply when, as governor, I presided over my first meeting of the State Board of Education in 1981. That entity was created by the constitutional delegates in 1972 to mandate coordination between the Board of Public Education and the Board of Regents, and through them the Montana educational system from kindergarten through college. Only minutes into my first meeting, a regent abruptly moved to adjourn the meeting! I sought an immediate explanation for such action, and was informed by the member that the Board of Education was a useless piece of constitutional construction and members of the two governing boards had no common problems to discuss.

My experience with the Board of Education is not directly relevant to the issues involved in this report. It is, however, a reminder that as we sort out the options for school district reorganization, it is from the point of view of the students who travel through the system that the issues must be addressed.

In any discussion of school district reorganization, proponents of consolidation quickly marshal two powerful arguments related to size and cost. Those arguments are frequently summarized with the assertion that 'not all small schools are costly, but all costly schools are small!' It takes only a brief look at expenditures per pupil in Montana elementary and high schools to validate that assessment.

In 1990-91, expenditure per pupil in Montana's elementary districts with over 1000 ANB averaged \$2990. In districts with less than 75 ANB the average expenditure per pupil was \$3858--nearly \$900 more. However, the Cooke City elementary district spent only \$1469 for each of its 19

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students, and the Browning elementary district, with 1480 students, expended a whopping \$5244 per ANB. The highest expenditure in a non-reservation elementary was Butte with 3955 students and a cost of \$3446 per pupil.

A comparison of high school data yields similar results. In 1990-91, the 8 Montana high school districts with more than 1000 ANB spent an average of \$4119 per student; the 60 high schools with less than 75 students that year averaged \$8904 per pupil expenditures. However, the cost per ANB in Butte (\$4892) with nearly 1500 students was only \$664 less than the per student expenditures in Hot Springs (\$5556) with an ANB of 66.

Clearly then, on average, expenditure per pupil rises as ANB declines in both elementary and high schools in Montana. Given that not unexpected reality, the next question to address is whether a comparable relationship exists in the quality of education produced in different size schools. Unfortunately, data to produce a definitive conclusion simply does not exist.

In a 1985 doctoral dissertation, Ardys Clarke did examine one aspect of quality when she studied the performance of freshman students entering Montana State University in 1978 -- by size of high school attended. Noting that "Previous research on the relationship of high school size to college academic success has been inconclusive and often contradictory ...," Clarke evaluated the first and third quarter freshman grade point averages and the graduation success of ~~over 2000 students~~ over a five year period. <sup>41</sup>

The Clarke study found that students "from the smallest high schools (0-50) had the highest percentage of graduates (31.3) of their (freshman) class." Moreover, those students also had the highest grade point averages at both the first and third quarters during their freshman years.<sup>42</sup> There are obvious risks in giving too much weight to a single study of student performance, but the conclusions drawn by Clarke deserve serious consideration. *y-in cell*

Clarke concluded that the size of high school attended was immaterial in terms of academic success. She felt that it may be that small high school graduates "... obtain a very personalized education with a strong basic skills background ...," and added that "This study does not support



a move toward consolidation if such action is to be based solely on academic achievement."<sup>43</sup>

Even if one accepts the Clarke research as conclusive insofar as the performance of small high school graduates at the college level, the question of whether the small high school maximizes the learning opportunities of its students remains. Put another way, even with higher per pupil expenditures, do small high schools provide the program diversity and educational challenges that historically have been associated with larger units? That issue is at the very heart of the debate over consolidation in Montana and across America.

The origin of the concept that small high schools provide unsatisfactory education is generally attributed to the work of James Conant, Harvard University president, and author of The American High School Today, published in 1959.<sup>44</sup> Conant proposed that all high schools with a graduating class of less than 100 be closed and, in the decade that followed, thousands of small schools were closed and the number of school districts in the United States halved.<sup>45</sup> School officials of the period were adamant in insisting that all small districts should be eliminated; one writer commenting that small districts were "... expensive, inefficient and indefensible ...".<sup>46</sup>

In the 1980's educational reform shifted dramatically away from consolidation to focus on excellence and accountability, a reaction in part to the publication of "A Nation at Risk" in 1983. That scathing assessment of American education, enhanced in visibility by President Reagan, led the educational community to reexamine the importance of such issues as quality of instruction, teaching skills, educational leadership and competition in public education. The nation's governors were quick to take up the issue of educational mediocrity, and two of them were to become Secretary of Education; Alexander in the Bush administration, Riley in the Clinton.

The demand for educational excellence was to promote, by the latter part of the 1980's, a new emphasis on parental involvement and a new priority for what came to be characterized as school-based (or site-based) decision making. The result, according to one observer, is "the most intensive and prolonged period of assessment of public education in this nation's history."<sup>47</sup> In a way, a small but important way to Montana, the

Key discussion point

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current discussion of our state's education delivery system is a part of that national assessment process.

How small is too small, especially as small exists in Montana? In reviewing national data, it is abundantly clear that Montana is not only "The Last Best Place". It is also the place with the most small schools! In 1990-91, the Treasure State had the highest percentage of schools reporting less than 100 students in the United States ... 55%. The fact that large Montana schools are small by national standards must be considered when determining the relevance of a growing consensus of educational experts who now embrace the notion that small high schools are preferable to large systems.

What has occurred in the thirty years that followed the Conant report with its endorsement of a minimum of 255-300 students for an educationally acceptable high school, to the present day assertion that "... the two primary arguments for large schools, cost savings and curriculum enhancement, pale in comparison with the positive schooling outcomes apparently achieved by small schools"?<sup>48</sup> Those same authors found, as did more than a hundred other studies, a "... lack of consistent relationship between schooling outcomes and expenditure per pupil, teachers' salaries, teachers' degree status, and teachers' experience ...," and concluded that it "... appears that keeping schools relatively small might be more efficacious and may exhibit rare consensus as a goal of educators, the public and those seeking equality of opportunity for students."<sup>49</sup>

Our problem in Montana is defining "relatively small". Until some agreement is reached among political leaders, educators, parents, and students as to the definition of a minimum viable high school size, the debate over consolidation cannot be resolved. Complicating the task of defining an appropriate minimum high school size is the recognition that we must focus not only on cost, but such other factors as isolation, accreditation standards, effective use of personnel, and the opportunity for students to achieve their potential.

*It can only be solved w/ the of \$!*

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## COOPERATION OR CONSOLIDATION ... CUTTING COSTS IN THE 1990's

*"In a time when no new money is coming, we must develop a system that better uses the money we have. There will be some pain and some sacrifice for all of us, but in the end, greater educational opportunity for kids is worth the pain and sacrifices."*

Gary Rafter, Jr., Superintendent  
of Schools, Judith Basin County

*"There simply is not a great deal of money to be saved by consolidation/unification."*

Claudette Morton, Director, Rural Education  
Center, Western Montana College

If it is true, as the saying goes, that a young man's fancy turns to love in the spring, it is no less true that as state legislators gather biennially their thoughts turn to dollars. As with the legislature, a report intended for legislative consideration must examine cost as a crucial factor in determining the feasibility of school consolidation.

The research on this report began with the mistaken notion that quantitative information on the impacts of school consolidation would be readily available. Quickly disabused from that assumption, we began a first-ever search for financial data related to past consolidation efforts. Time, and availability of records, limited our research to selected consolidations that have occurred since the enactment of financial incentive legislation in 1971.

Initially the state authorized a bonus of only \$100 per pupil, plus 2/3 of transportation costs. Currently elementary and high school districts which voluntarily choose to enlarge their district by consolidation or annexation, are rewarded with a bonus of \$450 or \$750 per eligible pupil dependent on the class of districts involved. The additional bonus of two-thirds of the state transportation amount is retained. (MCA 20-6-401) In the following series of tables, several examples of recent district consolidation or annexation are illustrated. In each case the analysis documents a period prior to the consolidation, the year of consolidation, and a period subsequent to consolidation.



**TABLE II**

	KREMLIN EL 69-70	KREMLIN EL 70-71	GILDFORD EL 69-70	GILDFORD EL 70-71	2 DIST TOTAL 69-70	2 DIST TOTAL 70-71	K-G EL 71-72	K-G EL 72-73
SALARY/BENEFITS	49407	28343	44751	23086	94158	51429	89569	88362
SUPPLIES	4027	1215	5241	1938	9268	3153	6045	6534
OTHER	6514	21355	3301	1311	9815	22666	6886	7004
TRANSP MAINT & OP	788	416	1776		2564	416	9303	3642
INSURANCE	1225	1464	3045	827	4270	2291	7694	6722
UTILITIES	2596	1369	3025	1374	5621	2743	4131	4756
SCHOOL FOOD	7180	3978	9730	5260	16910	9238	12869	13884
STUDENT BODY	0	64			0	64	483	282
NEW EQUIP/REMODELING	1045	193	415		1460	193	2062	2225
<b>TOTAL</b>	<b>72782</b>	<b>58397</b>	<b>71284</b>	<b>33796</b>	<b>144066</b>	<b>92193</b>	<b>138842</b>	<b>133411</b>

	KREMLIN HS 69-70	KREMLIN HS 70-71	GILDFORD HS 69-70	GILDFORD HS 70-71	2 DIST TOTAL 69-70	2 DIST TOTAL 70-71	K-G HS 71-72	K-G HS 72-73
SALARY/BENEFITS	47508	27456	58276	35127	105784	62583	104025	100174
SUPPLIES	3959	1689	4818	2983	8777	4672	7864	8852
OTHER	3917	23030	5943	955	9860	23985	9413	6001
TRANSP MAINT & OP	488	625	1201	1769	1689	2394	7895	11432
INSURANCE	1162	1009	3745	1994	4907	3003	8807	7107
UTILITIES	2118	1073	3404	1735	5522	2808	7372	7182
SCHOOL FOOD					0	0	5948	6205
STUDENT BODY	1789	735	2717	727	4506	1462	2885	937
NEW EQUIP/REMODELING	2776	258	915	204	3691	462	7023	5187
<b>TOTAL</b>	<b>63717</b>	<b>55875</b>	<b>81019</b>	<b>45494</b>	<b>144736</b>	<b>101369</b>	<b>161232</b>	<b>153077</b>

Note: The consolidation/annexation examples in this report include all school expenditures from five budget accounts; general fund, transportation, school foods, comprehensive insurance, retirement and tuition.

The Kremlin-Gildford (K-G) consolidation is unique in that it occurred in the time period of the adoption of the first bonus legislation. It is also unusual in that it apparently was the result of a decision by the district superintendents of the two schools to load the trustees from their districts in a large van and travel together to Helena to attend the annual meetings of the Montana School Boards Association and the School Administrators. On returning home to their Hi-Line communities, the boards arranged a series of meetings involving people from both communities. The result was a decision to go forward with a consolidation that placed the high school in Gildford and K-8 in Kremlin.<sup>50</sup>

In 1970-71, the year prior to consolidation, total district expenditures for the two schools dropped dramatically from the prior year -- from \$288,802 to \$193,562. The explanation appears to be almost totally

related to the reduction in salary and benefit costs and the likelihood that administrators left the system in advance of consolidation. In 1971-72 total expenditures of the consolidated system rose to \$300,074 then declined slightly to \$286,488 in the subsequent year -- very close to the 1969-70 level.

TABLE III

	JOPLIN EL 78-79	JOPLIN EL 79-80	INVERNESS EL 78-79	INVERNESS EL 79-80	2 DIST TOTAL 78-79	2 DIST TOTAL 79-80	J-I EL 80-81	J-I EL 81-82
SALARY/BENEFITS	115125	115464	82882	97376	198007	212840	222817	271603
SUPPLIES	20202	13245	5849	2208	26051	15453	26733	29440
OTHER	10443	12481	940	1008	11383	13489	10620	11593
TRANSP MAINT & OP	7773	10502	5871	3364	13644	13866	19321	16163
INSURANCE	2975		5243	3065	8218	3065	6518	8051
UTILITIES	3236	1276	3812	5143	7048	6419	14130	18575
SCHOOL FOOD	3242	3761	6183	6315	9425	10076	9988	12007
STUDENT BODY	707	649	55		762	649	897	1179
NEW EQUIP/REMODELING	8815	2500	167	205	8982	2705	12817	26363
TOTAL	172517	159879	111002	118684	283519	278563	323841	394974

	JOPLIN HS 78-79	JOPLIN HS 79-80	INVERNESS HS 78-79	INVERNESS HS 79-80	2 DIST TOTAL 78-79	2 DIST TOTAL 79-80	J-I HS 80-81	J-I HS 81-82
SALARY/BENEFITS	118934	134848	106967	122257	225901	257105	186355	195743
SUPPLIES	13870	14724	5751	6061	19621	20785	18844	29490
OTHER	9912	3591	3700	2262	13612	5853	4949	14351
TRANSP MAINT & OP	6460	9224	12252	6134	18712	15358	18985	16852
INSURANCE	15654	20401	5860	4556	21514	24957	10965	11477
UTILITIES	8346	14580	8628	6818	16974	21398	18820	20290
SCHOOL FOOD	5548	5969	4644	3393	10192	9362	8000	7440
STUDENT BODY	1499	1852	1735	1247	3234	3099	3359	5864
NEW EQUIP/REMODELING	22256	7475	901	787	23157	8262	9993	18529
TOTAL	202480	212664	150438	153515	352918	366179	280270	320035

Joplin and Inverness (J-I), two other Hi-Line schools, consolidated in 1980-81. Joplin became the learning center for middle and high school, while Inverness handled students in K-6. Table III shows a decline in total costs from \$653,742 in 1978-80, the year prior to consolidation, to \$604,111 in 1980-81, the year the consolidation took place. As was the case in the K-G consolidation, the difference is almost exactly the amount that salaries and benefits dropped in 1980-81. The following year the total expenditures for the consolidated system rose to \$715,009 -- an increase of more than \$60,000 over 1979-80, or nearly ten percent.

Consolidation fever was apparently contagious among Hi-Line communities as Hingham and Rudyard followed the consolidation example of their neighbors and merged in 1981. Blue Sky reflected a trend in total expenditures much like K-G and J-I. Total school costs, as shown in Table IV, dropped by nearly \$60,000 in 1981 -- the year of consolidation -- but promptly increased the following year to a level slightly higher than 1979-80.

**TABLE IV**

	HINGHAM EL 79-80	HINGHAM EL 80-81	RUDYARD EL 79-80	RUDYARD EL 80-81	2 DIST TOTAL 79-80	2 DIST TOTAL 80-81	BLUE SKY EL 81-82	BLUE SKY EL 82-83	BLUE SKY EL 83-84
SALARY/BENEFITS	131292	130784	197555	221123	328847	351907	323177	367993	393528
SUPPLIES	5163	3674	12597	7084	17760	10758	16481	12797	18837
OTHER	5208	4204	8057	7806	13265	11810	11107	38513	5664
TRANSP MAINT & OP	21453	11044	34281	43622	55734	54666	66448	61646	76409
INSURANCE	9061	9447	11899	13363	20960	22810	23617	30245	13446
UTILITIES	6314	8997	11507	12540	17821	21537	35773	37044	37763
SCHOOL FOOD	9964	12548	22218	21092	32182	33640	37802	37966	19774
STUDENT BODY	246	2135	1080	931	1326	3066	1536	1333	
NEW EQUIP/REMODELING	3855	350	1580	2362	5435	2712	9300	6650	15396
TOTAL	192556	183183	300774	329723	493330	512906	525221	594187	580817

	HINGHAM HS 79-80	HINGHAM HS 80-81	RUDYARD HS 79-80	RUDYARD HS 80-81	2 DIST TOTAL 79-80	2 DIST TOTAL 80-81	BLUE SKY HS 81-82	BLUE SKY HS 82-83	BLUE SKY HS 83-84
SALARY/BENEFITS	116946	142651	162660	184464	279606	327115	262722	285379	342485
SUPPLIES	4623	2815	8904	8528	13527	11343	13148	11513	13211
OTHER	3943	3285	5697	5216	9640	8501	7556	8775	13824
TRANSP MAINT & OP	13722	15013	42916	51657	56638	66670	61938	54486	58203
INSURANCE	6953	7873	12178	14379	19131	22252	22498	22280	8131
UTILITIES	5245	8437	15500	17868	20745	26305	24856	21607	21402
SCHOOL FOOD	6286	4866	4542	5164	10828	10030	7735	8262	2175
STUDENT BODY	1249	7333	1869	1889	3118	9222	9728	4827	0
NEW EQUIP/REMODELING	3720	176	5009	3414	8729	3590	4860	9602	7390
TOTAL	162687	192449	259275	292579	421962	485028	415041	426731	466821

The most recent school district consolidation occurred in 1990-91, when Wilsall and Clyde Park combined to form the Shields Valley school district. In what is now clearly a consistent characteristic of the four high school/elementary district consolidations studied, Shields Valley costs dipped the year of consolidation but returned to within \$29,000 of total costs the prior year. Projected expenditures budgeted for the current 1992-93 year total \$1,605,223, well above the \$1,529,695 spent in 1989-90. <sup>3</sup>(Table V)

TABLE V

	CLYDE PARK EL 87-88	CLYDE PARK EL 88-89	CLYDE PARK EL 89-90	WILSALL EL 87-88	WILSALL EL 88-89	WILSALL EL 89-90
SALARY/BENEFITS	242316	219836	275242	243732	258116	272411
SUPPLIES	16505	20224	12658	15164	13204	10845
OTHER	22930	28148	21648	21865	15970	22896
TRANSP MAINT & OP	30979	34348	48219	36503	47706	46287
INSURANCE	10101	9149	7189	8482	6426	5243
UTILITIES	9410	9689	9592	5633	8907	8879
SCHOOL FOOD	3206		2353	1886	2788	3140
STUDENT BODY						
NEW EQUIP/REMODELING	7888	2899	24870	8192	4412	10568
TOTAL	343335	324293	401771	341457	357529	380269

ELEMENTARY SUMMARY

	2 DIST TOTAL 87-88	2 DIST TOTAL 88-89	2 DIST TOTAL 89-90	SHIELDS VALLEY EL		BUDGET
				90-91	91-92	92-93
SALARY/BENEFITS	486048	477952	547653	534926	592946	
SUPPLIES	31669	33428	23503	41981	69698	
OTHER	44795	44118	44544	28531	12013	
TRANSP MAINT & OP	67482	82054	94506	89795	101069	
INSURANCE	18583	15575	12432			
UTILITIES	15043	18596	18471			
SCHOOL FOOD	5092	2788	5493	16039		
STUDENT BODY	0	0	0			
NEW EQUIP/REMODELING	16080	7311	35438	1593	13153	
TOTAL	684792	681822	782040	712865	788879	873152

	CLYDE PARK HS 87-88	CLYDE PARK HS 88-89	CLYDE PARK HS 89-90	WILSALL HS 87-88	WILSALL HS 88-89	WILSALL HS 89-90
SALARY/BENEFITS	256976	297807	304091	204256	215653	234913
SUPPLIES	8829	25387	8274	14288	15365	13662
OTHER	9997	19451	22959	15545	20095	35638
TRANSP MAINT & OP	33700	19286	24811	41017	37743	31977
INSURANCE	9229		0	10150	6433	4626
UTILITIES	12568	7441	7363	8379	4536	4533
SCHOOL FOOD	28227	380	18991	12333	11922	14589
STUDENT BODY						
NEW EQUIP/REMODELING	1297	388	12113	3483	5815	9115
TOTAL	370823	370140	398602	309451	317562	349053

HIGH SCHOOL SUMMARY

	2 DIST TOTAL 87-88	2 DIST TOTAL 88-89	2 DIST TOTAL 89-90	SHIELDS VALLEY HS		BUDGET
				90-91	91-92	92-93
SALARY/BENEFITS	471232	513460	539004	412775	476844	
SUPPLIES	23117	40752	21936	43265	68696	
OTHER	25542	39546	58597	15641	10671	
TRANSP MAINT & OP	74717	57029	56788	105768	119325	
INSURANCE	19379	6433	4626			
UTILITIES	20947	11977	11896			
SCHOOL FOOD	40560	12302	33580	12676		
STUDENT BODY	0	0	0			
NEW EQUIP/REMODELING	4780	6203	21228	50728	36378	
TOTAL	680274	687702	747655	640853	711914	732071



A letter from Superintendent Garret Franks, who presided over that consolidation, is included in the supplement of this report. He confirms that the reorganization offered little in the way of monetary savings but a great deal in program improvement.

The four examples of consolidation since 1971 that involved high schools provide little support for the theory that consolidation is an effective cost reduction measure.

Table VI summarizes the consolidation of two elementary schools -- Sun River and Fort Shaw in 1988. Initially, Vaughn expressed interest in becoming a part of the Sun River Valley school, but strong opposition caused the Vaughn board to withdraw from the merger. Michael Button, currently the superintendent at Plains, was then superintendent at Vaughn. Button has written a graduate school paper on the consolidation process that is an excellent on-the-scene analysis of the effort. As with most other consolidations, expenditures in the combined district rose immediately -- about 11% within two years. According to Button, the primary factor in the increase in expenditures was the raising of salaries of Sun River staff to the Fort Shaw level.<sup>51</sup> Table VI verifies that conclusion as salaries and benefits rose nearly \$90,000 between 1987-88 and 1989-90.



TABLE VI

	SUN RIVER EL 86-87	SUN RIVER EL 87-88	FT SHAW EL 86-87	FT SHAW EL 87-88	2 DIST TOTAL 86-87	2 DIST TOTAL 87-88	S.R.V. EL 88-89	S.R.V. EL 89-90
SALARY/BENEFITS	295227	301446	426207	429372	721434	730818	799523	812682
SUPPLIES	14891	15301	15839	17057	30730	32358	33570	55498
OTHER	18768	17319	21222	22559	39990	39878	33775	15993
TRANSP MAINT & OP	10460	19167	24294	23131	34754	42296	46186	34824
INSURANCE	15455	15734	23194	13010	38649	26744	25421	26000
UTILITIES	8968	9677	10865	10807	19833	20484	19499	23523
SCHOOL FOOD	15739	15856	69384	57751	85123	73607	77591	86163
STUDENT BODY	0	0	0	0	0	0	0	0
NEW EQUIP/REMODELING	2753	6408	2622	1084	5375	7492	28221	32671
TOTAL	382261	400908	593627	574771	975888	975679	1063786	1067354

Table VII provides the financial data for the consolidation of two Flathead County elementary schools -- Somers and Lakeside. Like the consolidation of Sun River and Fort Shaw, expenditures fell slightly in the

year of consolidation 1983-84, but promptly rose the following year to a level above that of 1982-83. And, as was the case with the Cascade county schools, virtually the entire increase in school operating costs can be attributed to higher staff salaries and benefits in the consolidated Lakeside/Somers district.

**TABLE VII**

	LAKESIDE		SOMERS		2 DIST TOTAL	2 DIST TOTAL	CONSOLIDATED	
	EL	EL	EL	EL			SOMERS	SOMERS
	81-82	82-83	81-82	82-83			83-84	84-85
SALARY/BENEFITS	143777	105538	276061	278871	419838	384409	392097	438033
SUPPLIES	3875	4076	10364	11247	14239	15323	14658	25276
OTHER	16961	22976	18671	39187	35632	62163	36516	15530
TRANSP MAINT & OP	5451		46047	48353	51498	48353	87687	69298
INSURANCE	4712	2200	10257	19075	14969	21275	6003	7980
UTILITIES	9759	9575	14413	15210	24172	24785	20871	23554
SCHOOL FOOD	1084	1254	18322	22139	19406	23393	28150	17056
STUDENT BODY			2262	2640	2262	2640		
NEW EQUIP/REMODELING	8184	9489	2572	4378	10756	13867		37446
<b>TOTAL</b>	<b>193803</b>	<b>155108</b>	<b>398969</b>	<b>441100</b>	<b>592772</b>	<b>596208</b>	<b>585982</b>	<b>634173</b>

Between the enactment of the consolidation bonus system in 1971 and the present, 42 elementary schools and 8 high schools have been annexed or consolidated. In the consolidations that were not a part of our analysis, only about 350 students were involved. The number is not precise because the early records are sometimes unclear or incomplete. Moreover, in the years prior to 1981, although 28 elementary districts were consolidated, only 84 students in all wound up in a newly-created district. Consolidations of two, three or five students seemed too small to provide insight into expenditure results. Further complicating the use of some of the consolidations for which bonuses were paid is the fact that, in some instances, bonuses were not paid for the full three-year period. And, in some cases, the annexation involved a district that had previously ~~been non-operating!~~



The six examples of school district consolidations that were studied provide little evidence to support the contention that consolidation is an effective way to reduce school costs. However, educational professionals I contacted were in near unanimous agreement that consolidation can result in program improvement. Improved school quality affords students greater opportunity to learn, and that in itself is sufficient reason for school trustees and administrators to explore new district organizations.

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## BITING THE BULLET ... AN AGENDA FOR CHANGE

*"In the past ten years we've seen two waves of school reform. The first, following in the wake of A NATION AT RISK ..., focused on external factors: higher standards ... new curricula, strengthened teacher-certification requirements, and expenditure increases of more than a thousand dollars per pupil between the 1982-83 and the 1987-88 school years.*

*"We are now in the midst of a second wave of reform that focuses on the roles of adults in education: teacher empowerment, school-based management, and parental choice. It shifts attention from state capitols to local schools, and from mandated activities to collaborative and cooperative efforts.*

*"What we need today is a third wave that builds on those prior efforts, looking beyond both external factors and the role of teachers, parents, and administrators. We need a comprehensive effort that places the student at the center of education reform."*

Dorothy Herzner Lipsky, Superintendent,  
Riverhead, New York, Central School District.

*"America became an urban nation, but rural America did not cease to exist. Rural has not become obsolete. Transporting rural America's children to larger schools does not diminish physical distances nor increase the sparse populations."*

Eldora Burns Nielson

The quotation reproduced on the inside cover of this report seems particularly appropriate to the long-standing debate over the educational delivery system in Montana. Certainly there have been a surfeit of "pessimists", past and present, who complained about the inordinately large number of school districts in the state. And, one could probably be justified in characterizing those who endorsed the "no action" policy as "optimists"; community defenders who saw district attrition as a preferable alternative to mandated change.

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The writer is a "realist" who believes that the time has come to adjust the educational sails of the historic craft constructed a century ago. That craft must provide a quality learning experience to the 155,000 passengers currently aboard, and to those waiting at the parental docks to embark. In some instances, it may even be desirable to alter the crew and command if the educational journey of the student passengers is to reach the port called "quality education".

Let us make no mistake, designing a responsive and efficient educational administrative system in a state with a population density of only one student per square mile is a monumental challenge! In 1990-91, one of every eight Montana students was enrolled in a school with less than 100 ANB; only South Dakota among the fifty states topped Montana in that measure of educational ruralness.<sup>52</sup>

It should be obvious that any recommendations directed toward the reduction in the number of current school districts in Montana will not result in the closure of many rural learning centers. Elementary schools are located in places like Prairie Elk, Van Norman, Whitlash, Nye and Yaak because they have to be there to serve the children of those isolated areas. Such isolated schools will continue to operate as long as there are small children living in Montana's remote areas.

A number of assumptions have shaped the recommendations that are included in this report to the MSBA trustees for their review and reaction. I believe that the impact of school reorganization on communities must be considered in any decision to substantially alter, or close, a local school. Being sensitive to local concerns is not just a matter of politics as usual, or caving in to parochial interests. Montanans expect ... demand ... that they have a voice in the decisions that affect their lives and the future of their children.<sup>53</sup>

Sensitivity to community is important to the private sector as well as to the government sector. The Lee newspaper chain could likely reduce costs and simplify the administration of their chain of Montana newspapers by utilizing only one publisher and one editor to manage their operations in Missoula, Billings, Butte, and Helena. As a profit-seeking enterprise, the corporation apparently believes that the costs associated with acquiring local knowledge and interacting with the community are outweighed by the advantages secured to their management hierarchy.



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As Montana political and educational leaders struggle to control the costs of school operation, they must also balance their desire for a more streamlined and centralized administration with a sensitivity to local concerns.

Nearly a half-century ago Joseph Kinsey Howard, Montana's most widely read historian, addressed a meeting in Missoula during American Education Week with these words:

*"Is economic efficiency the ultimate goal? Is an economy which accepts and even compels a progressive decline in rural population a GOOD economy? ... Is it not true that often the little country school is the heart of a community, and when the school goes the community dies and the people move away?"<sup>54</sup>*

Communities ARE important to Montana, as are the schools that continue to be a central focus of activity for the people who live and work there. But, costs also matter, to private and public enterprise alike.

Those in charge of managing our public school system must not only be fiscally prudent in the exercise of their responsibility, they must also convince their investors -- the taxpaying public -- that such is the case. A positive public perception of the Montana school system is the best assurance that our public schools will be adequately financed and capable of delivering a quality product.

In the preparation of the report recommendations I have also attempted to keep constantly in mind a personal lesson learned ... sometimes painfully ... over the years; wise decisions are not the exclusive property of politicians, or educators ... or former governors! The public must have early and continuing involvement in any comprehensive reform of Montana's educational structure.

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## CONCLUSIONS

*"It is the goal of the people to establish a system of education which will develop the full educational potential of each person. Equality of educational opportunity is guaranteed to each person of the state."*

Article X, Section 1, Montana Constitution

I began work on this project with the assumption that there were, indeed, far too many school districts and administrative units in the state educational system. In making the recommendation listed below, it is clear that I continue to believe we could do without some of the districts, some of the administration, and some of the administrators that exist in Montana in 1993.

I also brought to the initial phase of the report preparation the inclination to support an enhanced role for state government in redesigning the education structure -- probably reflecting a mindset carried over from my days in the governors' office! Without a doubt, state government must play a significant role in establishing responsible policy vis-a-vis the organization of our public school system. That ongoing responsibility is dictated by the fact that state government is assuming a larger and larger role in school funding.

At the outset, however, I should make it clear that I reject the notion that the state should mandate the consolidation of schools. I consider that exercise of state authority to be inappropriate and ill-advised. State-imposed consolidation would create a firestorm of public controversy and could well result in a public referendum and voter rejection as occurred in Nebraska. With the possible exception of K-12 unification, no arbitrarily implemented statewide reorganization scheme could adequately consider the myriad of circumstances that exist in the existing district structure. Rivers and mountains provide natural boundaries that make straight-line mileages meaningless. Kids very often migrate to the school district where their parents work or the community where they shop ... or where the most highly regarded music teacher is available ... irrespective of county or school district boundaries.<sup>55</sup>

While I object to mandatory consolidation, I also reject the philosophy that state taxpayers should subsidize the operation of expensive, non-isolated elementary or high schools. Maintenance of the status quo will not satisfy the growing public concern with school costs. Table VIII provides dramatic proof that public school expenditures have rivaled health care costs in the level of increase in recent years.

**TABLE VIII**

**MONTANA SCHOOL GENERAL FUND BUDGETS  
FOR SELECTED YEARS**

	<u>1949-50</u>	<u>1959-60</u>	<u>1969-70</u>	<u>1979-80</u>	<u>1989-90</u>
TOTAL OF SCHOOL GENERAL FUND BUDGETS*	\$25,302,000	\$50,414,000	\$117,533,000	\$287,413,000	\$521,873,000
TOTAL ANB*	94,578	133,818	184,872	163,276	149,095
GENERAL FUND BUDGET/ANB	\$267.53	\$376.74	\$635.75	\$1,760.29	\$3,500.00

\*NOTE: High school and elementary school budgets and enrollments both combined.

Table IX contains data prepared by George Bandy a decade ago, with an update for 1989-90. Bandy compared total school expenditures with enrollment, and with the Consumer Price Index (CPI). In the thirty years from 1949-50 to 1979-80, school expenditures and enrollment increased by about the same percentage -- 558%. During the same period, the CPI increased by only 220%.<sup>56</sup> In the past decade public school enrollment decreased, while expenditures increased 81% -- substantially above the CPI increase during the same period of 58%. It is data of this kind that creates the public demand for school reform.

To be sure, school budget increases in the post WWII years are largely attributable to a host of additional requirements imposed on our schools by inflation, stricter state and federal standards, special education, expanded program needs, and greater non-academic responsibilities. One elementary school, e.g., was required to hire a teacher's aide to

change diapers of three handicapped students up to three times a day. Those costly changes in the operation of our public schools as the end of the century nears are not fully understood by the public. They need to be. And the widespread perception by the public and many political leaders that Montana is burdened with a top-heavy and expensive administrative hierarchy must be addressed.

The county unit is the reorganization option with the longest history of exposure to debate in Montana. Despite its past popularity, I remain unconvinced of its general viability. The fact is that current Montana county boundaries are an accident of history -- many would argue an unfortunate accident! Only by accident do county boundaries reflect the realities of geography, demography, or transportation availability. Arguably, some of the lesser populated counties could follow the example of Petroleum and Wibaux and effectively utilize a unified countywide school district system. However, the county unit appears ill-suited to large urban communities.

A considerable amount of reorganization rhetoric has also focused on the existence of large stand-alone elementary districts adjacent to major cities: (Kalispell/Evergreen) (Helena/Kessler/East Helena) (Billings/Lockwood) (Missoula/Hellgate/Target Range). Those stand-alone schools enroll from 300 to more than a thousand students in K-6 and K-8.

One recent example of the addition of adjacent elementary schools to a larger unit was the annexation of ~~Warren and Jim Darcy~~ schools into Helena Elementary District 1 in 1985, each with enrollments approaching 300 pupils. Table IX illustrates that the merging of those districts produced no evidence of expenditure reduction; on the contrary, costs increased. Moreover, the state provided more than \$750,000 in bonus payments to the newly expanded district over a three year period -- \$1,000 for each student absorbed into the Helena system!

So don't argue against MSLA  
Unification on the grounds that  
all schools eg Target Range weren't  
included

TABLE IX

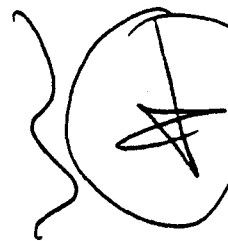
	WARREN/JIM DARCY EL 83-84	EL 84-85	HELENA EL 83-84	HELENA EL 84-85	2 DIST TOTAL 83-84	2 DIST TOTAL 84-85	CONSOLIDATED HELENA EL 85-86	HELENA EL 86-87
SALARY/BENEFITS	925923	1031552	9651563	10146788	10577486	11178340	12005021	12496227
SUPPLIES	42857	67325	531504	544794	574361	612119	399974	673642
OTHER	265899	260485	38555	71183	304454	331668	150434	100523
TRANSP MAINT & OP	123312	127553	346544	383759	469856	511312	830738	600672
INSURANCE	10490	12803	678627	586016	689117	598819	169934	219962
UTILITIES	35540	38691	356569	371600	392109	410291	346583	302158
SCHOOL FOOD	10278	15528	89174	644156	99452	659684	765781	759643
STUDENT BODY					0	0		
NEW EQUIP/REMODELING	442		138014	169958	138456	169958	113634	156074
TOTAL	1,414,741	1,553,937	11,830,550	12,918,254	13,245,291	14,472,191	14,782,099	15,308,901

The Helena experience supports the contention of those who assert that there would inevitably be a substantial increase in salaries and benefits when staff of smaller stand-alones are merged into larger urban elementary systems. Discussions with school personnel in Helena confirms that salaries and benefits of staff at Jim Darcy and Warren were in fact adjusted to the higher levels at Helena District 1.

Finally, an examination of the FY 93 school district budgets for the elementary districts listed above shows that in each case the general fund expenditure per pupil is currently lower in the stand-alone district than in the larger district:

Kalispell	\$3335 per ANB	Evergreen	\$3283 per ANB
Missoula	\$3367	Hellgate	\$2979
		Target Range	\$3039
Helena	\$3352	Kessler	\$2737
		East Helena	\$2866
Billings	\$3293	Lockwood	\$3077

Until and unless conclusive evidence of improved quality would result from the annexation of comparable stand-alone units, common sense and simple arithmetic would indicate the Kessler Board I visited in February was correct in saying -- leave us alone.



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## RECOMMENDATIONS

*"War is hell!"*

General Sherman, 1865

*"So is making school reorganization recommendations!"*

Ted Schwinden, 1993

Before setting forth the specific recommendations relative to school district consolidation and unification, it must be pointed out that this report and the recommendations it contains do not include an assessment of private and home schools. Also excluded from the study are two categories of public schools which I believe must be viewed as unique. The first of these groups includes the more than forty schools providing elementary education to the children of the Hutterite families in Montana. Presently, about half of those schools are public, the remainder private. I believe it very likely that mandated consolidation of their public schools would encourage Hutterite leaders to privatize them. Whether that is good public policy is a question I am not prepared to answer.

After long and thoughtful consideration I also decided to omit from this analysis those elementary and high school throughout the state that receive the preponderance of their funding from the federal government through Public Law 874. As a long-time resident of the Ft. Peck Reservation, I have more than a passing familiarity with Native American history. I am also aware of, and sensitive to, the problems associated with the past and present relationship between the Indian people and the federal government -- and the jurisdictional differences that exist between state and tribal entities. Future changes in the public school system that directly impact Indian schools should proceed only after the same type of state-tribal negotiation that produced water rights agreement in northeastern Montana and shared wildlife management in the Flathead Valley in the 1980's.

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1. **If MSBA elects to recommend major changes in the school district structure of the state, it should urge the governor to convene a special session of the legislature with the single purpose of dealing with reorganization.** Four months of intensive research, and extensive personal and political experience, have not made the author of this report an expert on the issue of reorganization. Reorganization of an education delivery system that dates back more than a century is far too complex to be thrown into the usual biennial legislative mix of issues.

2. **Where high school and elementary district boundaries are nearly the same, the boundary commission created by 20-6-304, MCA, 1991, should have the authority, after appropriate public hearings, to adjust those district boundaries to coterminous status.** Such action would have the effect of bringing the redesigned areas under the provisions of Senate Bill 307 adopted by the 1993 legislature. (Chapter 194, Session Laws, 1993)

3. **Legislation still on the books from the old county high school period should be repealed.** Any remaining legal impediments to the unification of elementary and high schools in the communities and counties where county high schools still exist should be removed. The current dual school administration that exists in the Missoula, Big Timber, and Deer Lodge communities is a situation long overdue for reform.<sup>64</sup>

4. **A commission should be created to establish a minimum acceptable level of student population in a non-isolated high school.** A high school should be of sufficient size to effectively utilize staff, and to provide a program of diversity that affords students the opportunity to maximize their learning. Until there is some professional and political agreement on minimum size of high school, I am convinced little progress can be made in appropriate consolidation. I personally question whether high schools of less than 35 students can adequately serve the best interests of the students, or the taxpayers of a district -- but I readily concede I have no valid data to support that conclusion! Currently, only eleven non-isolated high schools in Montana have fewer than 35 stu-

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dents, and nine of those have declined in attendance over the past decade. All are within 20 miles of the nearest high school. (Appendix III)

**5. When consensus is reached as to minimum high school size, (and that should be soon) the state should reduce funding of those small non-isolated schools to the level they would receive if they were consolidated with the appropriate adjacent school.** As noted earlier, I reject the notion that taxpayers in other areas of the state should subsidize the operation of expensive, non-isolated schools to satisfy community pride or parental nostalgia.

OK

**6. Bonus payments to encourage school districts to consolidate should be eliminated.** The expenditure of \$750,000 in bonuses to promote the annexation of 750 plus elementary students in the Helena area in 1985-88 was questionable fiscal policy. Iowa's experience with consolidation incentives indicated bonuses had minimum impact on the consolidation decisions of school districts in that state.

yes

**7. Trustees of each stand-alone elementary district should be required to meet twice annually with the board of the high school district which receives their graduates.** One such meeting should focus on coordination of curriculum, and exploration of such items as cooperative purchasing of supplies and insurance. The other meeting should focus on a joint examination of the results of the progress reports now required annually by the Board of Public Education. (10.55.603(6) ARM) The county superintendent should be responsible for organizing and facilitating the biannual gatherings. In the short run, no other single action could better enhance both administrative efficiency and programmatic coordination than the simple step of getting trustees and administrators to sit down and address their common problems and shared goals. Cooperation of this type is occurring in some parts of the state. It needs to happen wherever districts are not currently unified K-12.

yes

10/25/88  
10/25/88  
10/25/88



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**8. If the political determination is made that Montana should move aggressively to reduce the number of school districts and administrative units, I recommend the state require all districts provide K-12 education.** Such a decision would undoubtedly meet strong opposition in many areas of the state. While only minor cost reductions should be anticipated, unification would assure programmatic continuity to students and permit a higher level of support services to outlying learning centers. If policymakers proceed with the statewide unification concept, they should draw on the recommendation of prior studies and create redistricting committees at the local and state level to insure that the unique characteristics of local communities are considered. Senate Bill 322, introduced in the 1987 session by Senator Neuman, provided one method of implementing reorganization and could serve as a starting point for discussion.

**9. The state should continue to encourage the use of cost-effective distance learning technology and cooperative agreements.** Given the likelihood that Montana will retain its rural character for the near future, even substantial progress in consolidation will leave many Montana schools small by national standards. Small schools are inevitably handicapped in their ability to provide specialized programs to their students. To maximize the learning potential of our students, we need to exploit the opportunity technology provides to bring to our students what Montana geography denies them -- access to the information critical to make them competitive in a global society.

## EPILOGUE

*"... I truly believe we can build a well-educated, literate America by drawing on the legacy of courage and resourcefulness left us by our pioneer country schoolteachers."*

Barbara Bush

I recall surprisingly little of my "learning" at the one-room South School, located in the Tule Creek community in northeast Montana. I do remember a great deal about the people and the community it served.

The teachers are especially well-remembered -- neighbor youths with minimal formal training, but possessors of a wealth of understanding and patience. One such "schoolmarm" (as my dad called her) boarded with us in 1931; her twenty-four hour a day intrusion in my life was offset by the prospects of her beau coming to visit on the weekend on his Indian motorcycle.

Punishment was rarely inflicted; minor infractions merited only a boring stint facing the corner in the rear of the room. Real punishment was the prerogative of parents ... and the ultimate threat to the student contemplating mischief.

Recesses are retained as vivid kaleidoscopic images of "fox and geese," "ante I over," and staying out of the way of the "big kids." After school was "hoping time"; hoping parents found time and inclination to provide a ride home, and avoid the 2½ mile hike.

I have no recollection of a graduation ceremony, but do have a chilling recollection of sitting in the county courthouse with all the other rural kids taking THE exam ... the county superintendent hovering over us, watching for straying eyes. That same superintendent had visited our school the year prior and had given eye exams; as a result, the Schwinden kid with 20/200+ vision could read the blackboard information for the first time.

But, most remembered of those years in the 1930's were the school doings; the box social and card parties, the Christmas programs, the school plays performed before proud parents. South School was the social center for the half dozen families whose children attended; it remained so until 1939 when the four remaining elementary students were bussed to Wolf Point with their high school peers. The school became a granary, the families remained friends, the children scattered. An era ended.

## END NOTES

1. Winston W. Wetzel, "School District Organization in Montana 1889-1964; Related to the Proposals and Attempts for Improvement," Doctoral Dissertation, Montana State University, 1964. Wetzel's work is the definitive history of school district reorganization history through 1964, and is required reading for any who wish to examine the first three quarters of a century of state efforts to consolidate schools.
2. Chapter 226, Laws of Montana, Sixteenth Legislative Assembly, 1919, p. 517.
3. Board of Public Education, "A Report for the Fiftieth Legislature: A Response to Senate Bill 15, January 15, 1987, p.1.
4. Wetzel, op. cit., p. 114-115.
5. Andrea Merrill, Montana Legislative Council, "The Organization of Montana's School Districts: Encouraging the Goals of Efficiency, Equity and Educational Opportunity, March, 1990, p.4.
6. Board of Public Education, op. cit., p.1.
7. Wetzel, op. cit., p. 141.
8. Ibid., p. 146-152.
9. Board of Public Education, op. cit., p. 2.
10. George Peabody College for Teachers, PUBLIC SCHOOLS OF MONTANA: A Report to Montana Taxation-Education Commission, 1958, p.v.
11. Ibid., p. 15.
12. Ibid., p. 17.
13. Ibid., p. 17.
14. Report of the Montana Taxation-Education Commission to the Governor, November, 1958, p. 6.
15. Ibid., p. 6.
16. House Bill 306, Archives, Montana Historical Society.
17. Veto Message, March 16, 1959, Records of the Secretary of State.
18. Dolores Colburg, "A Case for Changing School District Organization," Montana Business Quarterly, Summer, 1970, p. 8.

19. Ibid., p. 8-9.
20. Harry Fritz, "Montana: 1965 to 1975," MONTANA MAGAZINE, 1984. This article by Dr. Fritz provides an excellent overview of the unique combination of events that produced a new Montana Constitution and reorganization of the state executive branch. A solid piece of work.
22. DAILY MISSOULIAN, November 22, 1992.
22. "Hard Times, Hard Choices," MEA Today, February, 1993, p. 5.
23. Verbatim Transcripts, Montana Constitutional Convention, Volume II, p. 719.
24. Ibid., Volume VI, p. 2046.
25. Ibid., p. 2047.
26. Ibid., p. 2046.
27. Ibid., p. 2165.
28. Ibid., p. 2165.
29. School District No. 12, Phillips County vs Hughes (Pacific Reporter 552 P. 2d 328) 1976.
30. Ibid.
31. Jonathan P. Sher, "Class Dismissed: Examining Nebraska's Rural Education Debate," 1958, p. 1. This lively discussion of the battle in Nebraska over school consolidation is a good introduction into the educational and political consequences of mandated consolidation.
32. U. S. Department of Education, EDUCATION STATISTICS, 1992, p. 161.
33. Ibid., p. 85.
34. Interview with Dr. Wayne Buchanan, Executive Secretary, State Board of Public Education, January 19, 1993.
35. L. E. Scaar, "A Developmental Design for Administrative Reorganization of Montana High Schools," Doctoral Dissertation, University of Montana, 1970, p. 74-76.
36. Wetzel, op. cit., p. 121.
37. Ibid., p. 194.

38. E. Robert Stephens, "A Framework for Evaluating State Policy Options for the Reorganization of Rural, Small School Districts," Occasional Paper No. 32, Appalachia Regional Laboratory, 1991, p. 2.
39. Ibid., p. 21.
40. Ibid., p. 22.
41. Ardys Sixkiller Clarke, "The Relationship Between the Size of High School and College Success for Students Graduating from Montana High Schools and Attending Montana State University, Doctoral Dissertation, Montana State University, 1985, p. 41. This paper is, to the best of my knowledge, the ONLY examination of the college performance of Montana students from different size high schools. As such, it responds to the question of whether size of high school is a predictor of college success.
42. Ibid., p. 78-79.
43. Ibid., p. 129-130.
44. Sher, op. cit., p. 66.
45. E. Haller and D. Monk, "New Reforms, Old Reforms, and the Consolidation of Small Schools," Education Administration Quarterly, November, 1988, p. 474.
46. Ibid., p. 476.
47. Stephens, op. cit. p. 9.
48. W. Fowler and H. Wallberg, "School Size, Characteristics, and Outcomes," Educational Evaluation and Policy Analysis," Summer, 1991, p. 200.
49. Ibid., p. 200.
50. Interview with Robert Stockton, retired finance officer, Office of Public Instruction, February 18, 1993. Stockton also said that at the crucial meeting on reorganization the issue of which school will have the basketball team arose. The issue was quickly settled when a lanky student asked which had the better gym!
51. Michael S. Button, "Consolidation of the Sun River Valley Schools," Graduate paper, University of Montana, 1991, p. 82.
52. U.S. Department of Education, PUBLIC ELEMENTARY SCHOOLS AND AGENCIES IN THE UNITED STATES AND OUTLYING AREAS: SCHOOL YEAR 1990-91, June 1992, p. 9.
53. Button, op. cit., has an extensive summary of the controversy in the Sun River Valley area, and the lessons that trustees can learn from that experience.

54. Wetzel, op. cit., p. 134.
55. On March 10, 1993, I met with county superintendents during their annual convention in Helena. One surprising bit of information that emerged from the discussion related to the large number of students in Montana who attended school outside the district of their residence. The superintendents volunteered to survey their counties with a questionnaire identifying the number of such students statewide. A partial return shows that many parents and children are already exercising "choice" in our state. Nearly a thousand elementary and high school students in Flathead and Ravalli counties attend out-of-district!
56. George R. Bandy, "Financing the Public Schools of Montana," A Report to the Superintendent of Public Instruction, Undated, p. 56.
57. Guy W. Ghan, "Iowa School Reorganization: Where it has Been and Where it is Going," Department of Education, State of Iowa, 1990, p. 4.
58. Ibid., p. 5.
59. Ibid., p. 9.
60. Ibid., p. 11.
61. THE ARIZONA REPUBLIC, February 7, 1993, p. 1. In a move reminiscent of school reform efforts in Montana, the REPUBLIC reported in a March 30 headline; "Education Reform Bill Comes to Halt"! The Arizona senate decided to convert the "reform" bill into a two-year study of school funding!
62. Office of Public Instruction, "Education for a New Century," 1993, p. 4.
63. Association for Supervision and Curriculum. UPDATE, February, 1993, p. 3.
64. Dan Martin, Superintendent, Dawson County High School, in a January 26, 1993, letter noted the existence of three school boards in Glendive and wrote that "Without question, educational excellence is hampered by the multi-board format."

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12-2-93  
SB 9

# NUMBER OF DISTRICTS

	# INDEPENDENT COUNTY			JOINT ADMIN	K-12 DISTRICTS
	# EL	# HS	# K-12		
BEAVERHEAD	8	2		1	
BIG HORN	6	3		3	
BLAINE	8	3	1	3	HAYS/LODGE POLE
BROADWATER	1	1		1	
CARBON	10	6		6	
CARTER	7	1		1	
CASCADE	8	5		5	
CHOUTEAU	8	4		4	
CUSTER	11	1		1	
DANIELS			3		FLAXVILLE, SCOBEBY PEERLESS
DAWSON	5	2		1	
DEER LODGE	1	1		1	
FALLON	3	2		2	
FERGUS	12	6		6	
FLATHEAD	19	4		4	
GALLATIN	15	5	1	5	WEST YELLOWSTONE
GARFIELD	10	1		1	
GLACIER	4	2		2	
GOLDEN VALLEY	2	2		2	
GRANITE	3	2		2	
HILL	8	5		5	
JEFFERSON	6	2		2	
JUDITH BASIN	3	2	1	2	HOBSON
LAKE	7	4	1	4	ST IGNATIUS
LEWIS & CLARK	9	3		3	
LIBERTY	4	2		2	
LINCOLN	7	2	1	2	LIBBY
MADISON	5	4		4	
MCCONE	4	1		1	
MEAGHER	3	1		1	
MINERAL	3	3		3	
MISSOULA	13	2		1	
MUSSELSHELL	3	2		2	
PARK	8	3		3	
PETROLEUM			1		WINNETT
PHILLIPS	6	4		4	
PONDERA	6	4		4	
POWDER RIVER	6	1		1	
POWELL	7	1		1	
PRAIRIE	1	1		1	
RAVALLI	2	1	5	1	CORVALLIS, DARBY, FLORENCE-CARLTON, HAMILTON, VICTOR
RICHLAND	6	4		4	
ROOSEVELT	6	5	1	5	BAINVILLE
ROSEBUD	7	3		3	
SANDERS	8	4		4	
SHERIDAN	5	4		4	
SILVER BOW	4	1		1	
STILLWATER	8	5		5	
SWEET GRASS	5	1		1	
TETON	8	4		4	
TOOLE	3	2		2	
TREASURE	1	1		1	
VALLEY	6	4	1	4	OPHEIM
WHEATLAND	4	2		2	
WIBAUX	1	1		1	
YELLOWSTONE	15	6		6	
TOTAL	339	148	16 (11 NON OP DIST)		*W/O NON-OP

Appendix II

SCHOOLS UNIFIED BY CHAPTER 194, SESSION LAWS OF MONTANA, 1993.

COUNTY	DISTRICT	DISTRICT TAXABLE VALUATION
BEAVERHEAD	LIMA ELEM	1,695,797
BEAVERHEAD	LIMA H S	1,695,797
BIG HORN	* PRYOR ELEM	642,354
BIG HORN	* PLENTY COUPS HS	642,354
CARBON	BELFRY ELEM	1,367,173
CARBON	BELFRY H S	1,367,173
CARBON	BRIDGER ELEM	3,759,846
CARBON	BRIDGER H S	3,759,846
CARBON	ROBERTS ELEM	1,011,060
CARBON	ROBERTS H S	1,011,060
FALLON	PLEVNA ELEM	2,940,562
FALLON	PLEVNA H S	2,940,562
FERGUS	ROY ELEM	1,077,489
FERGUS	ROY H S	1,077,489
FERGUS	WINIFRED ELEM	1,905,113
FERGUS	WINIFRED H S	1,905,113
GOLDEN VALLEY	LAVINA ELEM	1,710,643
GOLDEN VALLEY	LAVINA H S	1,710,643
GOLDEN VALLEY	RYEGATE ELEM	3,443,226
GOLDEN VALLEY	RYEGATE H S	3,443,226
GRANITE	GRANITE H S	3,220,999
GRANITE	PHILIPSBURG EL	3,220,999
HILL	BLUE SKY ELEM	3,905,235
HILL	BLUE SKY HIGH	3,905,235
HILL	* BOX ELDER ELEM	1,028,156
HILL	* BOX ELDER H S	1,028,156
HILL	* ROCKY BOY ELEM	35,480
HILL	* ROCKY BOY HIGH	35,480
JUDITH BASIN	STANFORD ELEM	3,471,118
JUDITH BASIN	STANFORD H S	3,471,118
LAKE	* ARLEE ELEM	1,712,518
LAKE	* ARLEE H S	1,712,518
LAKE	* RONAN ELEM	5,293,800
LAKE	* RONAN H S	5,293,800
LEWIS AND CLARK	LINCOLN ELEM	1,849,215
LEWIS AND CLARK	LINCOLN HIGH SCHOOL	1,849,215
LIBERTY	J-I ELEM	3,988,032
LIBERTY	J-I HIGH SCHOOL	3,988,032
MADISON	ENNIS ELEM	11,157,620
MADISON	ENNIS H S	11,157,620

COUNTY	DISTRICT	DISTRICT TAXABLE VALUATION
MADISON	TWIN BRIDGES ELEM	4,027,312
MADISON	TWIN BRIDGES H S	4,027,312
MISSOULA	FRENCHTOWN ELEM	16,610,304
MISSOULA	FRENCHTOWN H S	16,610,304
MUSSELSHELL	MELSTONE ELEM	985,823
MUSSELSHELL	MELSTONE H S	985,823
PONDERA	BRADY ELEM	3,121,040
PONDERA	BRADY H S	3,121,040
PONDERA	* HEART BUTTE ELEM	42,183
PONDERA	* HEART BUTTE HIGH SCH	42,183
PRAIRIE	TERRY ELEM	4,358,142
PRAIRIE	TERRY H S	4,358,142
ROOSEVELT	FROID ELEM	1,931,486
ROOSEVELT	FROID H S	1,931,486
ROOSEVELT	* POPLAR ELEM	7,705,962
ROOSEVELT	* POPLAR H S	7,705,962
SHERIDAN	OUTLOOK ELEM	1,503,673
SHERIDAN	OUTLOOK H S	1,503,673
SHERIDAN	PLENTYWOOD ELEM	5,183,039
SHERIDAN	PLENTYWOOD H S	5,183,039
TETON	DUTTON ELEM	3,888,631
TETON	DUTTON H S	3,888,631
TREASURE	HYSHAM ELEM	4,983,890
TREASURE	HYSHAM H S	4,983,890
VALLEY	GLASGOW ELEM	10,946,493
VALLEY	GLASGOW H S	10,946,493
WIBAUX	WIBAUX ELEM	4,073,266
WIBAUX	WIBAUX H S	4,073,266
YELLOWSTONE	CUSTER ELEM	2,158,017
YELLOWSTONE	CUSTER H S	2,158,017
YELLOWSTONE	HUNTLEY PROJ ELEM	7,078,885
YELLOWSTONE	HUNTLEY PROJ HS	7,078,885

\*OPTIONAL IF CONSOLIDATION OF THE ELEMENTARY & HIGH SCHOOL DISTRICTS RESULT IN A LOSS OF P.L. 81 - 874 FUNDS.

Appendix III

ISOLATION STATUS AND ENROLLMENT TRENDS  
MONTANA'S SMALLEST HIGH SCHOOLS  
ENROLLMENT BY DISTRICT - OCT. 1 REPORTS

CO	LE	ISO	DISTRICT NAME	- ENROLLMENT COUNT -				CHANGE	MILEAGE TO CLOSEST SCHOOL
				FY93	FY92	FY86	FY82		
14	0280	*	ROY H S	13	15	27	35	(22)	27 miles to Grass Range 36 miles to Lewistown
46	0831		OUTLOOK H S	21	21	28	32	(11)	19 miles to Plentywood
16	0355		WILLOW CREEK HS	22	18	31	24	(2)	5 miles to Three Forks
48	0859	*	-RAPELJE H S	23	27	17	31	(8)	25 miles to Columbus
19	0411		LAVINA H S	24	24	23	28	(4)	17 miles to Ryegate
53	0933		HINSDALE H S	25	28	32	40	(15)	13 miles to Saco
10	0200		FLAXVILLE H S (9-12)	26	30	25	33	(7)	11 miles to Scobey
19	0407		RYEGATE H S	26	21	35	40	(14)	17 miles to Lavina
56	0975	*	CUSTER H S	26	30	41	40	(14)	21 miles to Hysham
48	0851		REED POINT H S	27	24	18	14	13	17 miles to Columbus
35	0642	*	WINNETT H S (9-12)	29	39	37	50	(21)	23 miles to Grass Range
10	0196	*	PEERLESS H S (9-12)	30	30	29	26	4	20 miles to Scobey
44	0795		ROSEBUD H S	30	38	33	62	(32)	12 miles to Forsyth
46	0819	*	WESTBY H S	30	30	50	52	(22)	24 miles to Plentywood
23	0473		GEYSER H S	32	24	45	39	(7)	15 miles to Stanford
43	0785		BAINVILLE H S (9-12)	32	28	40	34	(2)	15 miles to Culbertson
21	1209		K-G H S (GILDFORD)	33	32	29	33	0	15 miles to Blue Sky
42	0748	*	SAVAGE H S	33	31	65	48	(15)	21 miles to Sidney
03	0045	*	TURNER H S	34	31	29	29	5	31 miles to Harlem
37	0682		BRADY H S	35	37	34	14	21	11 miles to Conrad
53	0928		FRAZER H S	35	32	51	35	0	14 miles to Nashua 19 miles to Wolf Point
54	0949		JUDITH GAP H S	35	28	25	22	13	17 miles to Harlowton
01	0009	*	LIMA H S	36	33	47	50	(14)	50 miles to Dillon
21	1220		BLUE SKY H S (RUDYARD)	36	28	52	71	(35)	10 miles to J-1 (Joplin) 15 miles to K-G (Gildford)
36	0663	*	WHITewater H S	36	33	17	32	4	38 miles to Malta
56	0979		BROADVIEW H S	36	40	31	36	0	14 miles to Lavina
13	0256		PLEVNA H S	38	38	30	35	3	13 miles to Baker
14	0269	*	GRASS RANGE H S	39	35	30	41	(2)	31 miles to Lewistown
43	0787		FROID H S	39	39	39	31	8	13 miles to Culbertson 12 miles to Medicine Lake
05	0076		BELFRY H S	40	41	46	30	10	11 miles to Bridger
33	0608	*	MELSTONE H S	40	51	49	44	(4)	34 miles to Roundup
42	0769	*	LAMBERT H S	41	38	38	46	(5)	20 miles to Sidney
28	0543	*	HARRISON H S	42	37	39	37	5	26 miles to Ennis
36	0657		SACO H S	42	38	41	42	0	13 miles to Hinsdale
53	0935	*	OPHEIM H S (9-12)	42	44	48	66	(24)	49 miles to Glasgow
23	0469		HOBSON H S (9-12)	43	46	56	69	(26)	18 miles to Stanford 9 miles to Moore
50	0893		DUTTON H S	44	46	45	49	(5)	15 miles to Brady
08	0154	*	GERALDINE H S	45	44	68	69	(24)	27 miles to Fort Benton
14	0274		MOORE H S	45	53	41	47	(2)	9 miles to Hobson 14 miles to Lewistown

CO LE	ISO DISTRICT NAME	- ENROLLMENT COUNT -					CHANGE FY82-93	MILEAGE TO CLOSEST SCHOOL
		FY93	FY92	FY86	FY82			
14 0291	* WINIFRED H S	45	38	27	44	1	37 miles to Levistown	
26 0508	J-I HIGH SCHOOL	45	37	27	34	11	10 miles to Chester 10 miles to Blue Sky	
05 0069	ROBERTS H S	46	38	36	36	10	13 miles to Red Lodge	
25 0503	* AUGUSTA H S	46	36	43	84	(38)	21 miles to Simms	
06 0097	* CARTER CO H S (EKALAKA)	47	49	82	97	(50)	35 miles to Baker	
36 0648	DOOSOM H S	48	49	39	40	8	17 miles to Malta	
37 1226	* HEART BUTTE H S	48	52	NO	HIGH SCHOOL		37 miles to Valier	
43 0783	BROCKTON H S	48	42	39	55	(7)	13 miles to Poplar	
25 1221	* LINCOLN H S	49	41	72	NO H S		55 miles to Simms	
08 0146	* HIGHWOOD H S	50	43	35	30	20	20 miles to Belt	
11 0228	* RICHEY H S	51	43	61	47	4	24 miles to Lambert	
52 0923	* HYSHAM H S	56	56	56	70	(14)	21 miles to Custer	
50 0895	POWER H S	59	51	48	52	7	10 miles to Dutton	
02 1214	* PLENTY COUPS HS (PRYOR)	60	47	51	61	(1)	35 miles to Billings	
21 0426	BOX ELDER H S	60	51	74	83	(23)	10 miles to Big Sandy 15 miles to Rocky Boy	
05 0072	FROMBERG H S	61	52	74	77	(16)	7 miles to Bridger 16 miles to Joliet	
23 0464	STANFORD H S	62	53	53	85	(23)	18 miles to Hobson 15 miles to Geyser	
14 0282	* DENTON H S	63	54	44	41	22	25 miles to Stanford	
45 0815	* HOT SPRINGS H S	67	68	92	92	(25)	21 miles to Plains	
31 0577	ALBERTON H S	69	59	58	75	(6)	15 miles to Frenchtown	
31 0582	ST REGIS H S	69	58	48	56	13	14 miles to Superior	
20 0416	* GRANITE H S (PHILIPSBURG)	70	73	97	114	(44)	26 miles to Drummond	
53 0937	WASHUA H S	72	65	75	83	(11)	14 miles to Glasgow	
16 0374	* W YELLOWSTONE H S (9-12)	74	70	70	84	(10)	91 miles to Gardiner	

IN 1992-93, 64 HIGH SCHOOL HAD FEWER THAN 75 STUDENTS ENROLLED  
 19 HIGH SCHOOLS INCREASED ENROLLMENT FROM 1981-82 TO 1992-93  
 39 DECREASED  
 4 DIDN'T CHANGE  
 2 WERE NOT HIGH SCHOOLS IN 1982

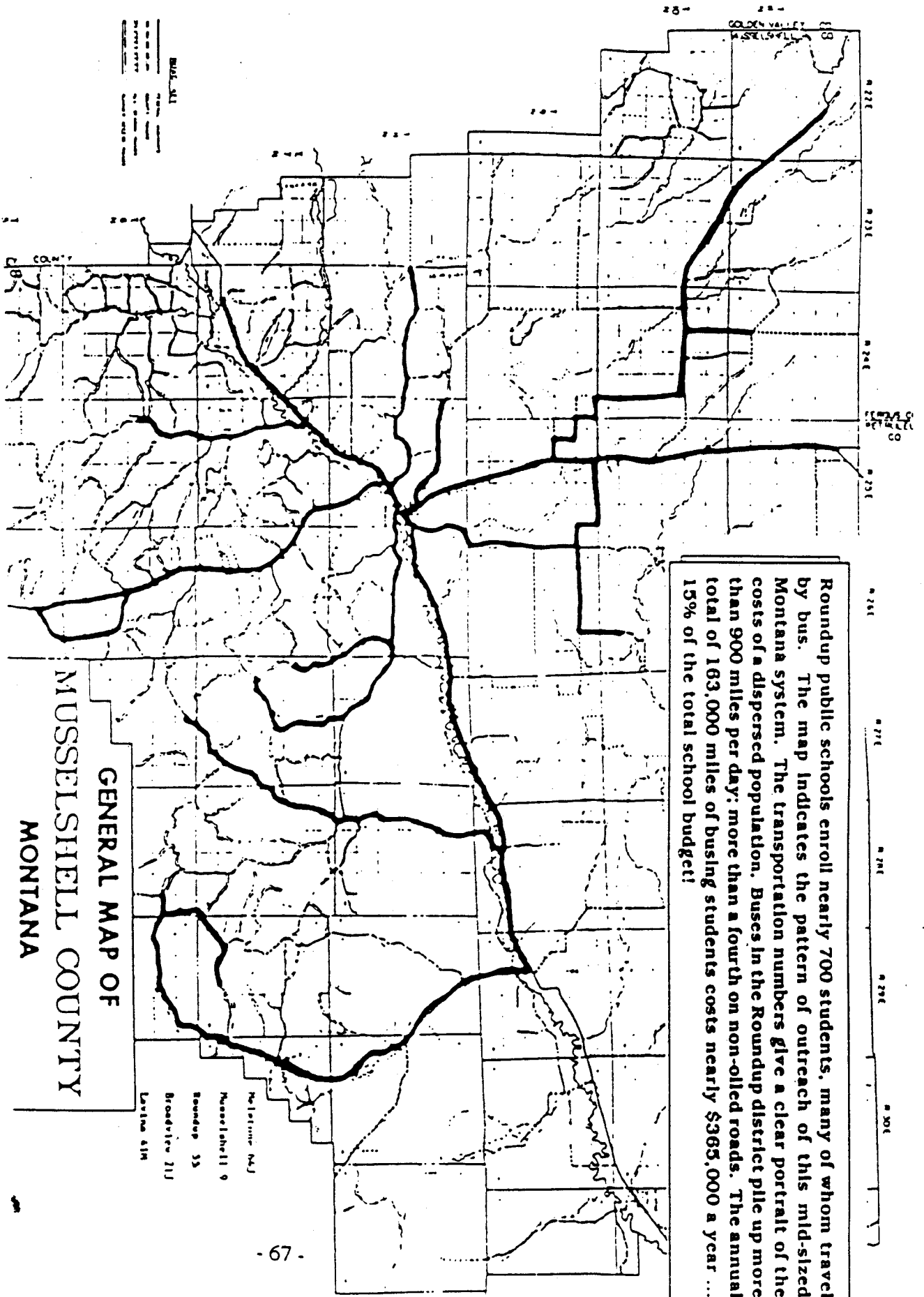
\*29 high schools are isolated, located 20 miles or more from the nearest school

## ELEMENTARY DISTRICTS WITH LESS THAN 10 ANB

## 1992-93 BUDGETS

COUNTY	DISTRICT	TOTAL ANB	DISTRICT SHARE OF FOUNDATION	STATE SHARE OF FOUNDATION	TOTAL FOUNDATION SCHEDULE AMT
BIG HORN	SQUIRREL CRK ELEM	9	0	23,646	23,646
CHOUTEAU	KNEES ELEM	9	0	23,646	23,646
CUSTER	HKT-BASIN SPR CRK EL	9	0	23,646	23,646
FERGUS	AYERS ELEM	9	0	23,646	23,646
FLATHEAD	PLEASANT VALLEY ELEM	9	0	23,646	23,646
LEWIS AND CLARK	CRAIG ELEM	9	0	23,646	23,646
LIBERTY	WHITLASH ELEM	9	0	23,646	23,646
CUSTER	S H-FOSTER CRK ELEM	8	0	23,646	23,646
GALLATIN	** MALMBORG ELEM	8	11,823	11,823	23,646
GARFIELD	BENZIEN ELEM	8	0	23,646	23,646
PHILLIPS	LANDUSKY ELEM	8	0	23,646	23,646
SWEET GRASS	** BRIDGE ELEM	8	11,823	11,823	23,646
WHEATLAND	TWO DOT ELEM	8	0	23,646	23,646
CHOUTEAU	** CARTER ELEM	7	11,823	11,823	23,646
FERGUS	MAIDEN ELEM	7	0	23,646	23,646
GARFIELD	BLACKFOOT ELEM	7	0	23,646	23,646
PARK	COOKE CITY ELEM	7	0	23,646	23,646
PHILLIPS	SECOND CRK ELEM	7	0	23,646	23,646
POWDER RIVER	HORKAN CRK ELEM	7	0	23,646	23,646
SANDERS	CAMAS PRAIRIE ELEM	7	0	23,646	23,646
SWEET GRASS	MCLEOD ELEM	7	0	23,646	23,646
CASCADE	DEEP CREEK ELEM	6	0	23,646	23,646
CUSTER	WHITNEY CRK EL	6	0	23,646	23,646
FERGUS	COTTONWOOD ELEM	6	0	23,646	23,646
GARFIELD	SAND SPRINGS EL	6	0	23,646	23,646
GARFIELD	KESTER ELEM	6	0	23,646	23,646
GARFIELD	BIG DRY CREEK ELEM	6	0	23,646	23,646
MCCONE	PRAIRIE ELK ELEM	6	0	23,646	23,646
POWDER RIVER	SO STACEY ELEM	6	0	23,646	23,646
POWDER RIVER	BILLUP ELEM	6	0	23,646	23,646
CARTER	JOHNSTON ELEM	5	0	23,646	23,646
CHOUTEAU	WARRICK ELEM	5	0	23,646	23,646
FERGUS	KING COLONY EL	5	0	23,646	23,646
HILL	** DAVEY ELEM	5	11,823	11,823	23,646
MEAGHER	RINGLING ELEM	5	0	23,646	23,646
BLAINE	LLOYD ELEM	4	0	23,646	23,646
CARTER	RIDGE ELEM	4	0	23,646	23,646
CUSTER	TWIN BUTTES EL	4	0	23,646	23,646
FERGUS	SPRING CRK COLONY EL	4	0	23,646	23,646
GARFIELD	ROSS ELEM	4	0	23,646	23,646
ROSEBUD	ROCK SPRING ELEM	4	0	23,646	23,646
STILLWATER	NYE ELEM	4	0	23,646	23,646

\*\* NON-ISOLATED SCHOOLS ARE  
REQUIRED TO PAY ONE HALF OF  
TOTAL FOUNDATION SCHEDULE





Appendix VI

NUMBER OF CONSOLIDATIONS SINCE 1972

FY	ELEM	HS
72	2	4
73	4	0
74	5	0
75	6	0
76	3	0
77	3	0
78	5	0
79	0	0
80	0	0
81	1	2
82	2	1
83	0	0
84	1	0
85	0	0
86	2	0
87	0	0
88	1	0
89	2	0
90	1	0
91	3	1
92	1	0
<b>TOTAL</b>	<b>42</b>	<b>8</b>

CAHIDI 1  
12-2-93  
SB 9

## LEARNING FROM OUR PEERS ... THE IOWA EXPERIENCE

There is an inherent risk in any attempt to transfer the experience of another state to our own. Too many variables exist in terms of historical culture, constitutional authority and political structure. However, given that public education has been a unique national priority that preceded the birth of this nation as evidenced by the Northwest Ordinance of 1787, it is clear that national trends in education influence all the fifty states. The clamor for reform of America's public school system that followed the publication of "A Nation at Risk" more than a decade ago touched every corner of this country.

The state of Iowa exhibits many more differences than similarities with Montana. With nearly four times the population located in a land area roughly forty percent of that of Montana, Iowa entered the post-WWII era with nearly four times the number of school districts as the Treasure State ... 4558! And, that number reflected a dramatic decline from the more than 16,000 districts in 1900. In 1953, Iowa adopted an official policy of encouraging reorganization of school districts into such a number of units "... as are necessary, economical and efficient and will insure an equal educational opportunity to all children in the state."<sup>57</sup> The result was the reduction in districts by approximately 75% ... to 1056 by 1965.

While official state policy was unquestionably a motivating factor in bringing about the dramatic reduction in Iowa school districts, a number of other factors were also at work. Like Montana, Iowa was witnessing a rapid drop in farm numbers and a shift of population from rural to urban areas. The development and enforcement of new accreditation standards by the state clearly impacted small, rural schools. And, as one author explained, there was a "... gradually developing sense among citizens that the old one room schoolhouses were not meeting the needs of the mid-20th century."<sup>58</sup>

In Iowa, as was the case in Montana, the decades of the 60's and 70's proved to be tranquil periods insofar as school district reorganization was concerned. In 1985, the quiet era ended and a series of events occurred

that was to reduce the number of Iowa districts to 418 by mid-1992. The rural to urban population shift continued, and it was coupled with a decline in total population ... trends consistent with the Montana experience even to the loss of Congressional representation. Legislative initiatives were enacted in Iowa to provide financial incentives to consolidating districts but seemed to have little impact on individual district actions.<sup>59</sup>

In reviewing the annual reports of the Iowa Department of Education, I am convinced that another major factor in the rapid decline of school districts was the active role played by that agency of state government. Unlike Montana, where the level of direct involvement in school district reorganization by the State Board of Public Education and the Office of Public Instruction has been minimal, the Iowa DOE has provided impetus to consolidation, including the provision of consultant services.

In assessing the parallel history of reorganization in Iowa, it must also be pointed out that the drastic reduction in school districts over time has not been without intense controversy. Raw emotions surfaced from time to time and resulted in acts of vandalism and threats of personal harm to school trustees.<sup>60</sup> While such problems may not be an inevitable product of consolidation efforts, they serve notice that reorganization proponents must include affected individuals to the maximum extent possible to reduce the level of divisiveness and the likelihood of confrontational activity.

## **SITE-BASED DECISION MAKING ... PANACEA OR PANDEMONIUM**

*"Montana Schools will encourage parent involvement by promoting an environment in which parents are valued as primary influences in their children's lives and essential partners in their children's education and development."*

Resolution of the Montana Congress of Parents, Teachers and Students (MPTSA)

No discussion of school administration today would be complete without mention of the current focus on site-based management, a concept that goes a significant step beyond the position of the MPTSA cited above.

Earlier this year the Arizona legislature considered legislation that would require every public school in that state "to have a council that could issue contracts, set salaries, handle school finances and set curriculum"! Sponsors said the idea was to "rein in" power held by school boards and give it to parents and teachers.<sup>61</sup>

In her 1993 report to the legislature, State Superintendent Nancy Keenan noted that among the school restructuring issues being discussed in Montana was site-based decision making in which "... teachers, other school staff and community members have a major role in making school decisions."<sup>62</sup> In my February visit to the Kessler School, the administration shared the results of in-house discussions that included site-based management.

Across America, decentralization has drawn increasing attention from large urban districts struggling to improve their school systems. In cities like Chicago and Miami, school districts have acted to reduce the size of central offices and enlist parents and teachers in the administrative process. Results have been mixed. In Dade County (Miami) district, after four years of site-based management, student achievement is down and test scores have regressed each year.<sup>63</sup>

Site-based decision making is no novelty in Montana. In fact, to the critics of the existing Montana educational delivery system, the 503 operating school districts and their 1600 locally-elected trustees already represent an excess of site-based managers! Given the active statewide presence of MPTSA units, and the reality that most Montana school decision makers are easily within the reach of an interested citizen by phone or personal contact, Montana's need for further administrative decentralization would appear to be minimal at the present time.

## **A VIEW FROM THE TRENCHES ... THE SHIELDS VALLEY CONSOLIDATION**

Of the dozens of interviews, discussions, and letters received during the preparation of the PROJECT SEEDS report, one particular piece of information provided a unique insight into the issue of consolidation. Reproduced below, as it was transmitted to me by Dennis Kimzey, superintendent of Beaverhead County High School, is a view of consolidation from an insider. Garret Franks, author of the letter, presided over the consolidation of Wilsall and Clyde Park elementary and high school into the Shields Valley public school system in 1990. Franks' letter sets forth in concise detail his assessment of the impact of the consolidation on the two schools.

01/28/93

Mr. Dennis Kimzey, Supt.  
Beaverhead County High School  
104 North Pacific  
Dillon, MT 59725

Dear Dennis:

When I pick up the newspaper, I can see you and the other Montana administrators have some real challenges facing you. Maybe I was smart to get out last year! I still hope this finds you doing well and having a good school year.

I feel for my colleagues who are being attacked by legislators from all sides these days. Those of you still in the field are certainly going to have some difficult days ahead of you. Education in Montana is facing some difficult times.

Thank you for this opportunity to provide some input on school consolidation. I don't want to sound pessimistic but that is where I am when I hear that school consolidation will save money. Montana's politicians will not save money in their efforts to consolidate or unify school districts. This is what we experienced when Wilsall and Clyde Park consolidated two years ago:

**Administration** - We still needed two administrators - one in each community. Instead of two superintendents and a part-time principal, we had one superintendent and one principal. Now that we had a larger school district, the superintendent's salary was increased to the average salary of similar sized schools. The principal, the former superintendent, received the same salary because he had to work 12 months that first year of consolidation. For the second year of consolidation, the principal went to a ten month contract with no change in his salary.

**Staff Salaries** - Now that our school district was larger, the staff wanted their salaries increased to meet the average of similar sized school districts.

**Transportation** - Since we continued to use all the school buildings in both communities, our transportation costs increased to get our students to their respective buildings. Our junior high was located in Wilsall, our high school in Clyde Park and both communities had grade school students. An activity bus was added to get our students to and from Wilsall and Clyde Park for extra-curricular activities. We also incurred additional costs because we had to pay mileage to our teachers who taught at both the high school and junior high levels.

**Building costs** - We had to remodel a bus garage and turn it into an industrial arts shop.

**Textbooks, Supplies, and Equipment** - In an effort to provide our students with better educational opportunities, we purchased more textbooks, desks, computers etc. One additional class was added to our curriculum.

**Athletics** - New uniforms and additional equipment had to be purchased to accommodate the new mascot and school colors.

**Hot Lunch** - Our hot lunch programs were retained in both communities with little or no changes.

**Custodians** - Retained with no changes.

**Office Personnel** - One school clerk was given the position as school secretary with a reduction in wages. Letterheads and envelopes had to be printed with the new school information.

**Aides** - A library aid position had to be added. Teachers were requesting more aides to help with morning duty, noon duty and assistance in the classroom. Prior to consolidation, our teachers always took morning duty, noon duty, recess, and bus duty and considered it part of their job. After consolidation, we had to be like the bigger schools and bigger schools hire aides. The school board refused to hire aides.

**Counselor** - In Wilsall, we had a counselor available two periods a day. In Clyde Park, the superintendent served as the guidance counselor. We hired a full-time counselor who traveled between the two communities to serve the students following consolidation.

**Taxable Valuation** - Our combined taxable valuation of course increased. Because of this the mill levy in Wilsall decreased and the mill levy in Clyde Park increased. We received \$100,000 each year as our consolidation bonus money for three years. We did not increase our mill levy for this three year period because of the bonus money we were receiving. Now that the bonus money has expired, mill levies will have to be increased to maintain the educational programs that have been implemented in operating the consolidated school district. The State of Montana did not save any money and our local taxpayers will not save any money now that they have to make up the \$100,000 shortfall. Of course, we told our constituents that we were consolidating to provide our students with better educational opportunities and not to save money.

The only way the state can save money, I feel, is to close some rural schools. For example, in Sweet Grass County, we have four rural schools. Three of these schools are within 12 miles of Big Timber with the school buses going to the front door of each to pick up high school students. All of the students attending these schools could be easily accommodated in the Big Timber Grade School without adding teachers or increasing costs. The sad part of this is that three or four teachers would be unemployed. Of course, this is reality when you close schools. If the Willow Creek school were to close, these students could go five miles down the road to Three Forks. There would be some additional cost for transportation in this case. If the high school in Reedpoint were to close, the students would attend either Big Timber or Columbus again with an increase in transportation but nothing else.

In closing, I would again like to reiterate that consolidation will not save money but closure will. Thanks again for this opportunity to provide my input.

Sincerely,

*Garret*

Since the Franks letter mentions Sweet Grass County schools, some discussion of those schools seems necessary. Fortunately, the Board of Trustees of the Sweet Grass County High School asked Superintendent Richard Webb to do a consolidation/unification study of the county. The Webb study looked at three options; the first contemplated consolidation of all rural elementary schools with Big Timber Elementary, but retained each as a learning center. The second option differed only in that all rural

centers would be closed and the children transported to Big Timber elementary. Option three proposed that option two be implemented into a unified K-12 district. Webb projected substantial savings (about 13% of current elementary expenditures countywide) with options two and three, based on the closure of the rural elementaries and the presumption that Big Timber elementary could absorb the additional students without additional costs. Superintendent Webb emphasized the preliminary nature of his study and has urged his board to further evaluate the possibility of consolidation/unification.



## **EQUALIZATION, CONSOLIDATION, AND HB 667**

More than halfway through Montana's 53rd Legislative Assembly, a major revision of public school funding was moving toward adoption. HB 667 represents the most significant equalization proposal since the passage of the Foundation Program in 1949.

The primary focus of HB 667 is clearly directed toward the resolution of the litigation instituted by the underfunded and rural school coalition. However, enactment of HB 667 into law will introduce important new budgetary criteria that relate directly to reorganization decisions.

Kremlin/Gildford, one of the first school district consolidations to benefit from the enactment of bonus incentives in 1971, is one potential victim of HB 667! The maximum general fund budget established by HB 667 is well below the current budget of K-G high school. Moreover, Blue Sky district, the adjacent school and most likely candidate for possible future consolidation with K-G, is also adversely affected by HB 667. Forced by the new funding formula to reduce spending in the future years, trustees in the two districts would be expected to explore the possibility of further consolidation. However, any consolidation decision would be tempered by another feature of HB 667.

HB 667 provides a \$200,000 base entitlement to each high school regardless of size, so a consolidated K-G/Blue Sky would forfeit that amount as a single district. Moreover, since HB 667 utilizes a student reduction factor (the per student allocation is reduced by \$.50 for each additional ANB), the larger ANB in the consolidated district means fewer dollars for additional students. With a current combined general fund expenditure of \$890,000.00, a \$200,000 "hit" is a powerful deterrent to the consolidation of the 60 plus students currently enrolled in the two schools.

If HB 667 is enacted as currently written, the state will have enacted a funding equalization policy that has the potential to penalize school district consolidation, while maintaining an incentive program to provide bonuses to districts that choose to consolidate. Small wonder some citizens regard government policy with head-shaking disbelief!

MONTANA SCHOOL  
DISTRICTS

	FY	
60 YEARS AGO	1929	3,572
50 YEARS AGO	1939	2,131
40 YEARS AGO	1950	1,592
30 YEARS AGO	1960	999
20 YEARS AGO	1971	743
10 YEARS AGO	1983	554
5 YEARS AGO	1988	545
	1989	546
	1990	546
	1991	538
	1992	535
	1993	514
	1994	495

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 8

DATE 12-12-93

BILL NO. SB 9

DATE 12/2/93

SENATE COMMITTEE ON Finance. Claims

BILLS BEING HEARD TODAY: SB 3 SB 9

Name	Representing	Bill No.	Check One	
			Support	Oppose
Ryan Tom	SENIORITE	3		<input checked="" type="checkbox"/>
Bakerston Sharon	" "	3		<input checked="" type="checkbox"/>
Mary H. Powers	" "	11		<input checked="" type="checkbox"/>
Py... ..	N.S. L.A.	11		<input checked="" type="checkbox"/>
Ernie Jean	Supt Finance Proc. MASS.	9	<input checked="" type="checkbox"/>	
Craig Brewington	SD#4 MASS.	9	<input checked="" type="checkbox"/>	
Phil Campbell	MEA	9		<input checked="" type="checkbox"/>
Cj Hannah	MT Dept of Reg	SB 3		
Dorrell Holzer	MT. ST. AFL-CIO	SB 3		<input checked="" type="checkbox"/>
Tom Foley	AFSCME	SB 3		<input checked="" type="checkbox"/>
John ...	INT. T.	9		<input checked="" type="checkbox"/>
Tom Schneider	MPRT	9		<input checked="" type="checkbox"/>
C... ..	HSD #1	9		
Lucie Ekanger	Dept of Labor Ind	SB 3	<input checked="" type="checkbox"/>	
Ed Caplis	MSCA	3		<input checked="" type="checkbox"/>
Bob Ananson	MSBA	9	<input checked="" type="checkbox"/>	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 12/2/93

SENATE COMMITTEE ON Finance & Claims

BILLS BEING HEARD TODAY: SB 3 SB 9

Name	Representing	Bill No.	Check One Support Oppose	
Don Waldron	MREA	SB 9	<input checked="" type="checkbox"/>	<input type="checkbox"/>

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY