

MINUTES

**MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN DARYL TOEWS**, on January 25, 1995, at 1:03 p.m.

ROLL CALL

Members Present:

Sen. Daryl Toews, Chairman (R)
Sen. John R. Hertel, Vice Chairman (R)
Sen. C.A. Casey Emerson (R)
Sen. Delwyn Gage (R)
Sen. Loren Jenkins (R)
Sen. Kenneth "Ken" Mesaros (R)
Sen. Steve Doherty (D)
Sen. Gary Forrester (D)
Sen. Barry "Spook" Stang (D)
Sen. Mignon Waterman (D)

Members Excused: N/A

Members Absent: N/A

Staff Present: Eddye McClure, Legislative Council
Janice Soft, Committee Secretary

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

Committee Business Summary:

Hearing: SB 112, HB 51, SB 156, HB 25
Executive Action:

HEARING ON SB 112

Opening Statement by Sponsor:

SEN. BARRY "SPOOK" STANG, SD 36, St. Regis, said that **SB 112** was the result of the Task Force on Pupil Transportation Finance, the members of which are listed on the back page of **EXHIBIT 1**. **SEN. STANG** went on to say that the Task Force was formed to address the transportation issues that have surfaced over the past few years. The group tried to come up with accountability for the state pupil transportation systems. He finished by saying that members of the Task Force would explain **SB 112** and then he would be available to answer questions.

Proponents' Testimony:

Al McMilin, Chairman of the Pupil Transportation Task Force, said that the reason he was speaking was to give a brief overview of components of **SB 112**. He explained that the makeup of the Task Force was composed of people from all sections of the educational community, public and private transportation areas, Governor's Task Force on Government Reorganization, Montana School Boards Association -- almost all geographic and demographic areas were represented.

The blue handout (**EXHIBIT 2**) shows the Executive Summary. **Mr. McMilin** said the Task Force believes that the current transportation system is efficient and the funding mechanism is a good one. The changes in the fiscal note are not drastic; in fact, there is a modest savings in the end. He went on to say that the Task Force believes that it has fine-tuned the transportation system to make it more efficient and effective by taking out some loopholes. The first section of the Executive Summary (blue sheet) explains the recommended adjustments in the handling of the school bus ridership and funding. Two concerns were voiced: (1) the perception that buses are running half-full which means that there's not good accountability of ridership. The Task Force addressed that and came up with a system that will give good accountability to the state and the legislature; (2) the issue of special education buses which were being reimbursed at the full bus rate even though they were carrying only one special education student. The Task Force decided that was a loophole that needed to be closed.

Basically, what was included in **SB 112** is a new mileage reimbursement model; there will be a special count taken each day during a week in November for high school students. If a student rides one day during that week, he/she will be considered eligible for reimbursement. The way it is now, at the beginning of the school year all eligible high school students (whether or not they ride) are considered for mileage reimbursement.

Also, the Task Force recommended to stop the current practice of funding a full special education bus even though there may be only one rider.

In order to address the issue of the need for wheelchairs and special education aides to ride the bus, the Task Force asked for a weighted ridership. Right now the bus has three to a seat. The concept of weighted ridership is explained in **SB 112** (New Section 8) and it is this: high school students -- 1½ students per seat; elementary -- 3 per seat; etc. Those figures will determine whether the bus is considered full and will be used to figure mileage reimbursement. At no time will funding ever exceed the seating capacity.

Mr. McMilin went on to say that currently there are about 2200 individual transportation contracts in the state. When it is not

cost-effective to run school buses to every hill and dale, school districts have the option to contract with individuals to bring students to the nearest bus stop or to school. In addition to the above, there are 28 contracts for student room and board. Currently, if you are paid to bring your child to school, there is a three-mile limit around the school so six miles are subtracted from daily miles traveled. If you bring your child to the bus stop, only three miles per day are subtracted. The Task Force felt that in the above-mentioned case, six miles instead of three should be subtracted. (This was inadvertently left out of **SB 112** but will be added as an amendment later.)

Reimbursement for the 28 room and board contracts should not exceed \$8/day for room, which means that anyone living more than 20 miles from either a bus stop or school would be affected. Because of inflation and the length of time since adjustments were made, the Task Force recommended the raising of room and board rate to \$8/day for the first child and \$5/day for each additional child.

The Task Force also recommended bringing the current laws to provide more guidelines and structure for more consistency in the operation of the county transportation committees. The county transportation committees are ultimately responsible for approving all routes and handling any controversies in transportation. The Task Force discovered that there is a wide disparity across the state in how these committees handle problems and approval of routes, resulting in some route duplication and abuse. **Mr. McMilin** stressed that much of what the Task Force proposes is merely a codification of what is already in the law.

Mr. McMilin summarized his remarks by saying that those are the three areas within **SB 112** which were addressed. The Executive Summary (blue sheet) shows other items covered but they will be addressed by resolution or OPI action. The Task Force believes their recommendations have made a good system a better one because districts will be more accountable for ridership and reimbursement. They also believe they answered many questions regarding pupil transportation to make the system more efficient and effective.

Gary Rose, Administrative Assistant, Kalispell Public Schools, said that he considers pupil transportation a business. He said that an in-depth evaluation of transportation had been done by the Task Force, and he echoed **Al McMilin** by saying that the Task Force did not propose radical change, but a fine-tuning of what was already in place. Page 5, **SB 112**, addresses the county transportation committees and their dealing with problems. Transportation should be cooperative rather than competitive and the handling of concerns and approval of bus routes should be consistent.

Jack Copps, Deputy Superintendent for the Office of Public Instruction (OPI), stated that the Office of Public Instruction supports the recommendations of the Task Force in **SB 112**, and he also commended the Task Force for the excellent job it did in reviewing the system already in place.

Don Waldron, Montana Rural Education Association (MREA), also commended the Task Force for its work. He went on to say that a questionnaire asking opinions on the Task Force's recommendations had been sent to MREA's membership. Only one reply had been negative and the other responses were neutral or positive.

Penny Bertelson, Superintendent, Sun River Valley Schools, said that she had served on the first committee appointed by the legislature several years ago but the committee was unsuccessful in finding ways of improving the system. This time, the Task Force operated on the premise that the system was good but it needed fine-tuning and loopholes needed to be eliminated.

Loran Frazier, School Administrators of Montana (SAM), commended the Task Force for the job it did in fine-tuning the system, and gave support for **SB 112**.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

SEN. DELWYN GAGE asked on what the points were based in New Section 8. **Al McMilin** replied that the Task Force met with bus people to come up with a realistic seating assignment rating.

SEN. KEN MESAROS wondered what criteria were used to establish the rates listed on page 9, lines 25 & 26. **Mr. McMilin** said that people who handled room and board for rural areas were interviewed and the amounts seemed to be a fair increase.

SEN. MIGNON WATERMAN was concerned about the passenger count that one week in November and the potential for padding the numbers through student bribery, rewards, etc. **Al McMilin** said he could offer no assurance that it would not happen. He hoped that his peers would make every effort to make a realistic count. **SEN. WATERMAN** commented that she hoped that school districts police themselves on this issue because if they don't, future legislation will deal with the problem.

SEN. GARY FORRESTER asked what would happen to a 66-passenger bus which, on paper, is full but in reality the only time it is full is when the weather is bad. **David Huff, Pupil Transportation Specialist with OPI**, said that OPI anticipates that in some areas that bus could be reconfigured and rerouted; in fact, possibly several routes could be consolidated. However, in rural areas this may not be feasible. In that situation there wouldn't be much change in terms of the number of students riding the bus.

How would that problem be handled? Would they be penalized? Would they get less reimbursement? At no point would they receive below the base rate (\$.85/mile) and weighted ridership could sometimes make the rate higher because high school students get 1/2 point more each.

SEN. FORRESTER mentioned that in his district, people see the buses going out with very few students, yet the county superintendent will say that the buses are full because the paperwork indicates that. He asked for another explanation of **Mr. Huff's** remark that the reimbursement would not drop below the base rate. **Mr. Huff** again explained that the base rate for a bus is \$.85/mile, and for a bus which carries more than 45 passengers, 2.13 cents for each additional seat. Full reimbursement required 50% ridership so the 80-passenger bus would need at least 40 eligible riders to qualify for the full reimbursement. If the riders drop to below 50%, an adjusted rate of capacity is in force, which means doubling the number of eligible transportees. The lowest you could go, even in this scale, would be the base rate.

SEN. FORRESTER asked **Mr. Huff** if he could come to his office to find out who is actually riding (not counting) so that he could tell constituents just how much money the school district will lose. **Mr. Huff** said they couldn't come up with the actual names but they might come up with an idea count after talking to bus drivers. **Mr. McMilin** informed the group that the cost to run a small or large bus was the same.

SEN. GAGE assumed that daily roll call would have to be taken on the bus during that one week in November; if not, how would it be possible to know how many were riding? **Al McMilin** answered that they would expect the drivers to have a roster of high school students on each of those mornings and check them off. Once the student rode, there would be no need to check again.

SEN. LOREN JENKINS asked for clarification of the \$97,100 decrease in No. 5 of the fiscal note, wondering from where the decreases would come. **Mr. McMilin** said the decrease came from a combination of special education, actual number of high school students riding, putting a cap of 20 miles on mileage reimbursement -- a combination of things. **SEN. JENKINS** wanted to know where the 20 miles came from. **Mr. McMilin** answered by saying that the recommended room and board rate is \$8/day and individuals are reimbursed 21.25 cents/mile to bring their students. Divide \$8 by .2125 and that gives about 20 miles one way or 40 round trip. This applies to individual contracts only, and is only one factor in the decrease. **Madalyn Quinlin, OPI**, directed the committee's attention to section 2 on the blue sheet, School Bus Funding -- "No longer deem a bus....." and said that the projected savings from that is \$204,300 (half to counties and half to state); section 3 -- "Individual Room and Board.....", (first diamond) savings of \$110,00 (inadvertently left out and will need an amendment to get into **SB 112**; (second

diamond) savings of \$17,150; (third diamond) cost of \$27,250. The total savings (excluding the six miles to the bus stop because it needs an amendment) is \$194,000 to be split evenly between the counties and state.

SEN. TOEWS asked about page 10, lines 5-7, wondering why it was not allowable for a transportation route to go outside a given area, even when the district takes no reimbursement for the extra miles? Why are written agreements required? **Mr. McMilin** replied that county transportation should approve all routes that are run in a district. There should not be districts running buses outside the routes without approval. If there is a genuine need for that bus to go outside its route, it should be possible to have approval from the districts involved and the county superintendent; in other words, county transportation should see that the districts involved should agree and the guidelines should be followed. **EXHIBIT 3**

SEN. GAGE asked for explanation on page 1, line 30, and page 2, line 22. **Al McMilin** replied that currently, if a student lives in town within a distance of three miles from a school, he/she is ineligible to ride the bus. However, in the case of a special education student, if bus transportation is written into the student's IEP, he/she becomes eligible to ride the bus even if the student's residence is three or less miles from school.

SEN. CASEY EMERSON commented that today's bus transportation system requires much paperwork and many people to do the paperwork. He wanted to know if the Task Force assessed the whole bus transportation system and if the Task Force found ways to make the system more simple. **Mr. McMilin** replied that the Task Force did look at everything and the last section on the blue sheet lists some examples where the Task Force asked OPI to combine services to make them regional rather than district. As for paperwork, it is true that there is more but more accountability requires a reporting system which requires more paperwork.

SEN. EMERSON commented that in his early days of teaching (early 50's), the staff of the Superintendent of Public Instruction went from five to eleven when the transportation and food lunch programs were added, which meant that two or three staff handled the state-wide transportation system. **Al McMilin's** answer was the estimated cost of implementing the program as recommended by the Task Force was about \$5,000.

Closing by Sponsor:

SEN. STANG thanked the committee members for a good hearing. He directed their attention to page 9, line 1, to say there was a drafting error which accounts for some of the savings of **SB 112**.

SEN. STANG further pointed out that the Executive Summary (blue sheet) shows that the Task Force covered many of the transportation issues. The "Coordination of Services with

Other....." section will be dealt with in a resolution which will be coming later -- senior citizens will be able to ride the bus; the "Equity" issue will begin with a House bill presented by **REP. SAM KITZENBERG**. He commended the Task Force for the job it did and stated that people would be around to answer questions as the committee goes into Executive Action.

HEARING ON HB 51

Opening Statement by Sponsor:

REP. JOHN JOHNSON, HD 2, Glendive, began by saying that School Administrators of Montana (SAM) requested that he introduce **HB 51**, which will raise the bid limit on a school district's non-emergency building, furnishing, repair or supplies purchase which is subject to a contract. Changes to **20-9-204** include: (1) Section 1, lines 12-28 cover the conflict of interest with changes in the language for clarity, not the conditions or conflict of interest between a board of trustees member and agencies with which the board would do business; (2) Section 1, lines 29-30 & lines 1-2 on page 2, changes the current limit from \$7,500 to \$15,000; (3) Page 2, lines 3-7 lists requirements for notification of bid limit; (4) New Section 2 lists the effective date. The fiscal note says that there will be no impact to state funds.

REP. JOHNSON posed the question of why the limit should be raised to \$15,000. It provides school districts the ability to make purchases at a lower cost than they are now able, i.e. \$7,499 only bought 4600 reams of paper (about half their yearly supply) for a school district. If the limit had been \$15,000, the district could have purchased its year-and-a-half paper supply at \$1.63/ream instead of the quoted \$2.30/ream when the supply order was required to be put out on bid.

Proponents' Testimony:

Loran Frazier, School Administrators of Montana (SAM), said that this past summer SAM had one of its first delegate assemblies. While there, they discussed which issues SAM would like to see brought before the legislators. One of these was to look at raising the bid limit because school administrators could be better stewards of school budgets by being able to take advantage of bargains that appear from time to time. This was affirmed when **Mr. Frazier** traveled the state and talked to administrators who could cite instances where, if the bid limit had been raised, they could have saved the school district much money. **HB 51** does not change what trustees can do right now -- set a bid limit which is comfortable to them, \$500, \$1,000, \$7,500, etc.,; the option is theirs. It has been at least 10 years since the \$7,500 has been increased and cost of supplies, especially paper, has increased during that time. **Mr. Frazier** ended his testimony by

asking support for HB 51.

Ron Stegmann, Superintendent of Schools, East Helena, read his written testimony which supported HB 51.

Conrad Robertson, Lewistown Superintendent of Schools, gave several examples of how raising the bid limit could save money for school districts: (1) In December, the Lewistown schools, which spend about \$15,000/year on paper products, received notice that on January 1, paper prices would increase by \$1.02/ream. There was no time to advertise so the schools bought as much paper as was possible under the bid limit, or \$7,499. If the bid limit had been \$15,000, the savings would have been almost \$2,800; (2) If districts buy their own used cars for drivers education, two years ago a good used car could have been purchased for \$7,500. At the present time that dollar limit is not enough to purchase a good used car with low mileage. If the district could have purchased its vehicles within the \$15,000, it would have realized a savings of \$1,500 - \$2,000 per vehicle; (3) Technology is another area where savings would be realized. End-of-the-year expenditures could be made from the underspent line items and if the bid limit was raised, districts could take advantage of buying computers and computer equipment from one vendor who would offer one maintenance agreement. The alternative would be different maintenance agreements and different vendors, which is not cost effective.

Mr. Robertson wanted to clearly say that his school district solicits three proposals on anything purchased in order to buy best product it can for the price. He asked for the same flexibility and opportunity as the counties to save money -- the \$15,000 bid limit.

Jim Foster, Montana Rural Education Association (MREA), said that there were 150+ schools in MREA, and they overwhelmingly support HB 51 to raise the bid limit.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

SEN. FORRESTER asked if it was likely that all school districts might have \$15,000 left at the end of the school year that they had to spend. **Conrad Robertson** replied that the budget of Lewistown's elementary and high schools was about \$5 million, so \$15,000 left at the end of the school year to apply toward instructional materials is not unreasonable.

Closing by Sponsor:

REP. JOHN JOHNSON closed by saying there was no change in the law except that the bid limit increases from \$7,500 to \$15,000 which makes it the same level as the counties' limit. He thanked the committee for a good hearing and asked for a favorable vote on HB

51.

{Tape: 1; Side: B; Approx. Counter: ; Comments: .}

HEARING ON SB 156Opening Statement by Sponsor:

SEN. MIGNON WATERMAN, SD 26, Helena, decided that the best way to deal with the size of SB 156 was to go through it section by section. She further explained that the essence of SB 156 is to allow the change in the statutes and codes to reflect the restructuring of the university system and the five vo-tech centers, which have merged with the university system. SEN. WATERMAN stressed the fact that SB 156 has nothing to do with the Governor's reorganization bill which restructures the university system, OPI, Board of Regents and Board of Public Education.

Changes: (1) Page 2, section 1, deals with the reorganization of the guaranteed student loan advisory council; (2) Pages 2-9, sections 3,4,5,6, delete the specific reference to the vo-tech centers in the state accounting system; (3) Pages 11-12, sections 7,8, lists the university system campus locations in the state budgeting statutes; (4) Page 14, sections 9,10, deletes references to vo-tech centers in the retirement statutes; (5) Pages 17-19, sections 11,12,13, amends the campus names, deleting specific references to the vo-tech centers in the general law; (6) Page 21, section 14, conforms the duties of the county treasurer as it pertains to the 1.5 county mills for the vo-tech levy which continues; (7) Pages 21-24, sections 15,16,17, lists the university campus location changes, authorizes the change in names and includes the vo-tech centers within the university statutes; (8) Page 24, section 18, provides for local executive boards in each area where vo-tech centers are; (9) Pages 25-27, sections 19,20,21, deletes specific references to vo-tech centers in the MetNet statutes; (10) Page 28, section 22, deletes specific references to the vo-tech centers under the Montana Conservation Corp statute; (11) Pages 28-30, sections 23,24, deletes references to vo-tech centers in the nursing and cosmetology statutes; (12) Pages 31-34, sections 25,26, deletes specific references to vo-tech centers in the veterans and handicapped preference statutes; (13) Pages 34-38, sections 27, 28,29, removes vo-tech students from coverage under Workers Compensation system. Vo-tech students will now be covered under the student health insurance plan, just as university system students are; (14) Page 39, section 30, removes reference to smoke-free buildings in vo-tech centers; (15) Page 40, section 31, removes reference to steam boiler engineering licensing statutes; (16) Pages 40-41, Sections 32-36, are new. Section 32 deals with reenacting the 1.5 mill levy and allows authority for the assessment; Section 33 is the general repealer for vo-tech statutes; Section 34 is the instructions to the code commissioner to change names to reflect present names of campuses; Section 35

is codification instruction; Section 36 is the effective date which is July 1, 1995, and matches the levy language.

SEN. WATERMAN said that **SB 156** saves money in that the vo-tech students will not be covered by Workers Comp. She said she would like to offer one additional amendment which would be offered in the Executive Session, namely, defining in-state and out-of-state students.

Proponents' Testimony:

Jeff Baker, Commissioner of Higher Education, began his testimony by distributing a booklet, "1995 Regular Legislative Session." **EXHIBIT 5** He explained that page 1 is a classical organizational chart of the Montana University System. There are two crucial concepts: (1) Efficiency through economies of scale, i.e. dollars, efficiency of services, helping each other, making better decisions for additional, as well as, present students. An illustration is the non-coordination of computer software and hardware among the Montana campuses which makes sending a transcript within the university system impossible; (2) Push decision-making to the campuses so that they can respond to their individual differences and customers (students). **Commissioner Baker** then drew the committee's attention to page 3 which illustrates communication among the university campuses. He finished by saying that the rest of **EXHIBIT 5** explains the university restructuring. Also, **SB 156** cleans up the statutes which deal with the changes which have taken place within the university system. **Commissioner Baker** cautioned the committee by echoing what **SEN. WATERMAN** had said earlier, **SB 156** is not to be confused with **HB 229** which does away with the Board of Regents, etc. **SB 156** will stay in place no matter what happens with **HB 229**.

Alex Capdeville, Dean of Helena College of Technology, University of Montana, said that vo-tech restructuring is not a new term to former vo-techs. One of the most important restructuring points is opportunity enhancement in a two-year technical education. This provides students with the opportunity to have upward mobility, should they desire. Montana, historically, has been very strong in thinking of higher education as four-year opportunities, not two-year. A stronger technical opportunity is now provided, i.e. Ford Motor Company, with which Helena College of Technology works closely, will not place their training program in an institution where an associate degree is not provided. Their logic is that students who display general skills to get required general education courses to go with the degree will be better candidates for retraining.

Mr. Capdeville went on to say that finally the former vo techs are placed in their rightful place in Montana's higher educational system. Students can now see former vo techs as an option and not an alternative. He finished by saying that he encouraged support for **SB 156**.

Pat Haffey, Policy Advisor in the Governor's Office, spoke on behalf of the Governor's support of **SB 156**. From early on, the Governor supported **Commissioner Baker's** proposal to restructure the university system, joining **Commissioner Baker** and the Board of Regents in a number of informational meetings designed to explain the restructuring and to solicit input from the campuses. The Governor's Office believes that the current restructure has provided the campuses with a number of benefits. **Ms. Haffey** ended her testimony by urging support for **SB 156**.

LeRoy Schramm, Legal Council in the Commissioner's Office, raised one point following **SEN. WATERMAN'S** comment about the amendment she would have ready for the Executive Session. The Regents' policy on residency mirrors state statute which says that any graduate of a Montana high school is entitled to in-state tuition. The statute was designed decades ago primarily to include students from North Dakota, Wyoming or Idaho who have graduated from high schools in communities around Montana's outer edge. It also granted in-state status to students who came to live with relatives, even though their residence was in another state. U of M and MSU have always interpreted the statute and Regents' policy to limit in-state status to citizens of the United States. Presently, a non U.S. citizen is challenging and appealing the designation of non-residence, saying that if residence status is not granted, there will be a lawsuit. The amendment will add "citizen or resident alien" which will allow the campuses to continue present policy of restricting in-state fee exception to U.S. citizens.

Mary Sheehy-Moe, English teacher at Helena College of Technology, spoke on behalf of the bargaining unit at the College of Technology. She urged support for **SB 156**, saying that it is another change for the vocational/technical teachers but they are looking forward to the challenge and student opportunity.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

SEN. FORRESTER asked **Commissioner Baker** about MSU-B's classroom addition on the university system priority list, which was several years old. The new priority list does not include the classroom addition at all. **SEN. FORRESTER** went on to say that the legislature gives the lump sum funding but the Board of Regents doesn't seem to listen to the legislature. **Commissioner Baker** said that the lump sum funding addresses the operational components of the budget which deals with repeatedly occurring campus activities. A priority list has been compiled which includes deferred maintenance (adaptive, i.e. American Disabilities Act) and new construction. The list was consolidated and the Board of Regents approved the list. The Governor's recommendations were the same as the Board's first eight or nine items, but skipped to two other items which were below the new construction to which **SEN. FORRESTER** referred. The

new construction in Billings was on the list for approximately \$11 million. Two projects picked up instead: (1) A bio-science building which will be built without state money but operations and maintenance money to support that building (\$300,000 - \$400,000 per year) is still in question; (2) Pharmacy complex at U of M - Missoula jumped to 15th or 16th on the list at a price tag of a \$2 million match for an additional \$2 million. The reason the \$2 million was picked up that way was to round up the total bonding package; and that's how much money was remaining to reach the maximum bonding.

Commissioner Baker went on to say that the position of the Board of Regents is the integrity of the list submitted. About two weeks ago, the Board had a bill introduced outside the structure on item 22 on the priority list and said that it does not support the building of that structure (it happens to be at the College of Technology at Great Falls) but does support the integrity of the list. He admitted that the Board does think it unrealistic to build a \$11 million building in Billings at this time, but the Board is trying to work with Chancellor Sextant to come forward with a planning grant which would allow the Board to assess more appropriately the need and then devise a plan for a structure which would serve the present and future needs of the campus.

Commissioner Baker ended by saying that restructuring and lump sum funding proposal would not change the priority list. Also, the lump sum funding was going to include more accountability so the legislators would know specifically where the money was going.

SEN. JENKINS wondered why the vo-tech loan advisor was dropped.

LeRoy Schramm answered that there would be no separate vo-tech center because it was now part of the university system.

Commissioner Baker also commented that one of the concerns, when restructuring was taking place, was "mission drift", which means that the institution starts to get away from the purpose for which it was designed. The intent is to strengthen that mission in a sense that prepares students for the 21st century. He further explained that last statement by saying that when accreditation agencies came to look at the university system, they criticized some locations for not being sensitive to changing economic needs in the community. The hallmark of the vo-techs is responsiveness to local community needs through various activities and plans and these were put into place to ensure that responsiveness is not lost. He went on to say that the Board of Regents met in Helena and was very concerned about the length of response time the new programs were requiring to come on line to meet community needs. **Commissioner Baker** used the above text to explain the question of the loan officer raised by **SEN. JENKINS**, saying that the blending of the institutions was being attempted, without losing the identity of each. The bottom line is that the schools should lose neither their identity nor their mission.

SEN. JENKINS also wondered about adding 1.5 mills to the five

counties and why there wasn't an addition to the university counties. **Commissioner Baker** replied that the above concept was not new, but rather it was a continuation of something already in place. The counties in which the Billings, Butte & Missoula units are located will also have a 1.5 mill levy in addition to the 3 mills for the university system.

SEN. JENKINS still had a question on the loan officer issue, wondering why it wasn't clearly stated that one person would be from the university system and the other from the college of technology. **Commissioner Baker** replied that **SB 156** was trying to clarify the fact that the colleges of technology were an integral part of the units to which they are attached.

SEN. STANG asked what had been done to streamline administration and save money. **Commissioner Baker** answered by saying that the emphasis had not been put on cutting positions to save money; however, some money had indeed been saved. Instead, the emphasis had been put on services provided and increase in student numbers and doing so without adding more administration.

Closing by Sponsor:

SEN. WATERMAN responded to **SEN. STANG'S** question by sharing the example she tells her constituents: When **SEN. WATERMAN** served on the Helena school board and the vo-tech was under the high school district, single mothers would want to go back to school to get their LPN degrees from the vo-tech center. After working awhile as LPNs, they might decide to get their nursing degrees, which required them to start over at Bozeman. Now, a person can begin at the college of technology and continue in one of the other university units because the credits will transfer. Also, having one loan application which will transfer within the university will make that part much easier for the students.


SEN. WATERMAN also commented that she was impressed with the Board's dedication to getting the students graduated in four years, thus saving dollars.

ADJOURNMENT

Adjournment: The meeting adjourned at 2:50 p.m.



SEN. DARYL TOEWS, Chairman



JANICE SOFT, Secretary

DT/jes

ROLL CALL

1/25/95

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SENATE EDUCATION

EXHIBIT NO. 1

DATE 1/25/95

BILL NO. SB 112

State of Montana

Task Force on Pupil Transportation Finance

Final Report

**SUBMITTED TO STATE SUPERINTENDENT
NANCY KEENAN**

December 16, 1994

**Al McMilin, Chair
Superintendent
Townsend Public Schools
266-5512**

OFFICE OF PUBLIC INSTRUCTION TASK FORCE ON PUPIL TRANSPORTATION FINANCE

CHARGE TO THE TASK FORCE

A. Maintain an adequate, safe, and economical access to education for all Montana students.

1. Transportation services must continue to overcome Montana's rich diversity of geographic, social, and economic access challenges.
2. Optimum safety, as intended by the Highway Safety Act of 1966, and federal standards and guidelines embraced by Montana statutes and standards for the school bus industry, must continue to be supported.
3. Economy of service must be maximized while not diminishing safety and adequacy.

B. Utilize all available resources, including those of the public and private sectors, effectively and productively.

1. **FISCAL:** Present revenues include state general, state equalization account (SEA), county and district property taxes, and parents. These and other sources should be reviewed in light of current money pressures and demands.
2. **DELIVERY:** Existing systems include both district and privately owned school bus fleets, in addition to parent operated vehicles. These and other options not currently in use should be weighed in relation to existing, viable safety and economy parameters. Non-viable and restrictive restraints not consistent with safety and economy should be reviewed for possible removal.

C. Create a funding method which is equitable, simple, and predictable.

Any method of funding school transportation in the future must

1. assure that the cost burden is distributed among districts and responsible providers of pupil transportation services in a fair and responsive manner;
2. be easily understood;
3. require a minimum of documentation and administrative effort for budgeting, disbursement, and monitoring (state, county, district, or other);
4. be capable of providing stability in the level of funding;
5. remove financial incentives for incorporating management practices which are not cost effective nor within the intentions of the model; and
6. be as objective and as automated as possible.

D. Recommend pupil transportation delivery practices consistent with safety and economy.

Of the models and options which are not currently in use, and those which are, the ones that represent the most efficient and productive use of available resources should be identified.

PUPIL TRANSPORTATION TASK FORCE RECOMMENDATIONS

EXECUTIVE SUMMARY

<p style="text-align: center;">TRANSPORTATION SYSTEM</p> <p>The Task Force (TF) is unanimous in the belief that Montana needs a system to transport students to and from school that includes the use of the yellow school bus.</p>	<p>► No action required.</p>
<p style="text-align: center;">SCHOOL BUS FUNDING FOR HOME-TO-SCHOOL AND BACK</p> <p>The TF endorses the present state county-supported mileage reimbursement model with the following modifications:</p> <ul style="list-style-type: none"> ◆ Weight student bus ridership to reflect the amount of space they occupy on the bus, including students with disabilities. ◆ No longer deem a bus "full" just because it carries a special education student who's Individualized Education Plan requires transportation as a related service. ◆ Calculate reimbursement by <ul style="list-style-type: none"> ● counting all eligible elementary students, and ● counting only the eligible high school students which ride during a week designated to count riders. 	<p>(The TF recommends weighting, spec. ed. and counting be tied together and one not be approved without the others.)</p> <p>► Included in bill draft.</p> <p>► Requires change in A.R.M. Does not require change in statute.</p> <p>► Included in bill draft.</p>
<p style="text-align: center;">INDIVIDUAL ROOM AND BOARD AND TRANSPORTATION CONTRACTS</p> <ul style="list-style-type: none"> ◆ Make the mileage reimbursement exclusion to the bus stop the same as for the distance to school - 3 miles. Limit all individual contract reimbursements to actual miles transported. ◆ Cap contracts for individual transportation at the level a family would receive for room and board reimbursement. ◆ Increase the rate for room and board from \$5.31 to \$8 per day for the first child and \$3.19 to \$5 for the second and subsequent child(ren). 	<p>► Included in bill draft.</p> <p>► Included in bill draft.</p> <p>► Included in bill draft.</p>
<p style="text-align: center;">COUNTY TRANSPORTATION COMMITTEE</p> <ul style="list-style-type: none"> ◆ Adopt operation and procedure guidelines for the county transportation committees. 	<p>► Legal parameters of guidelines included in bill draft.</p>
<p style="text-align: center;">ELIGIBILITY FOR SCHOOL BUS RIDE</p> <ul style="list-style-type: none"> ◆ Make no change to the three-mile requirement. ◆ Initiate study and adopt a provision to make students under three miles, who are exposed to hazardous walking conditions, eligible for transportation. 	<p>► No action required.</p> <p>► OPI will initiate recommended study.</p>
<p style="text-align: center;">COORDINATION OF SERVICES WITH OTHER TRANSPORTATION PROVIDERS</p> <ul style="list-style-type: none"> ◆ Encourage collaboration between schools and other groups like senior citizen centers. 	<p>► Resolution drafted.</p>
<p style="text-align: center;">EQUITY</p> <ul style="list-style-type: none"> ◆ Replace the county transportation levy with a statewide mill calculated to raise the same amount. 	<p>► No action taken.</p>
<p style="text-align: center;">OTHER</p> <ul style="list-style-type: none"> ◆ Provide regional training and certification workshops for drivers. Require inservice credits for drivers. Incorporate bus riding skills into curriculum for young riders. ◆ Adopt 15 years as the maximum age of a yellow school bus for subsidized bus routes. ◆ Recommend to all school districts that they undertake a yearly, thorough informational/public relations effort regarding pupil transportation. 	<p>► OPI will implement recommendations.</p> <p>► No action. OPI will release as a recommendation.</p> <p>► No action. OPI will release as a recommendation.</p>

I. MISSION

The group had as its overall goal to:

"review alternatives and recommend the best means to maintain an adequate, safe and economical access to education in Montana."

Three major areas were researched and discussed.

1. Funding Mechanism
 - a. Equity
 - b. Distribution Method
 - c. Revenues/Expenditures
 - d. Eligibility
 - e. "Loopholes"
 - f. Transportation Options
 - (1) Buses
 - (2) Individual Transportation
 - (3) Room & Board/Tuition
 - (4) Correspondence Courses
 - g. Special Education
2. Efficiency Issues
 - a. Duplication of Services
 - b. Paperwork/Data Collection
 - c. Coordination with Other Transportation Services
 - d. Role of County Transportation Committee
 - e. "Loopholes"
 - f. Equipment/Fuel Purchasing
 - g. Insurance
3. Image
 - a. Selling/Promotion of Service
 - b. Problems - Perception versus Reality
 - c. Politics
 - d. Inservice Needs

Meetings were held on the following dates:

May 18, 1994
June 20, 1994
July 20-21, 1994
August 16-17, 1994
September 8, 1994

II. TRANSPORTATION AND DEMOGRAPHIC DATA

The state of Montana is rich and diverse in its demographic profile. With a population of 839,000 (1993 estimate) scattered throughout 147,046 square miles, the fourth largest in the United States, distances and transportation are major factors for all of its endeavors, including education.

- Size: 147,046 square miles (fourth largest state)
570 miles long and 315 miles wide
- Population Density: 5.6 per square mile
- Geographic Features:
Western one-third, mountainous and timbered
Eastern two-thirds, plains with occasional mountains
Elevation: 1,820 to 12,799 feet above sea level
- Indian Reservations: Seven

DEMOGRAPHICS/TRANSPORTATION INFORMATION	1992-1993	1993-1994
General Population	822,347	839,000
Student Population		
Elementary (PreK - 8)	115,233	116,650
Secondary (9-12)	44,737	46,370
Total	159,970	163,020
Public School Students per Square Mile	1.08	1.11
Average Number Eligible Students Transported at Public Expense	55,584	56,032
Students Under 3 Miles Transported (This number is not universally reported and is less than the actual number.)	11,939	11,980
Total	67,523	68,012
Number of Miles Traveled Per Year (This does not include activity routes, or routes not requesting reimbursement.)	18,388,152	18,490,140
Number of Individual Transportation Contracts Received by State	2,336	2,344
Estimate of Combined State and County Reimbursement for Individual Transportation Contracts (based on contract rates x 180 days)	1,112,170	1,103,515
Actual Expenditures (includes all transportation fund expenditures reported on districts' trustees reports)	35,085,570	(Trustees info not compiled yet.)
<u>Transportation Funding Sources</u> (As reported on trustees' reports)		
State	9,581,248	(Trustees info not compiled yet.)
County	9,721,766	
District	15,782,556	

BUS AND DRIVER DATA 1993-1994	
Qualified School Bus Drivers	2,894
School Buses By Type:	
Type A (Van Conversion under 10,000 lbs GVWR)	177
Type B (Van Conversion over 10,000 lbs GVWR)	45
Type C (Conventional Bus)	1,278
Type D (Transit Style-Flat Front)	333
No Indication of Type	151
TOTAL BUSES	1,984
School Buses by Owner:	
District Owned	1,046
Contractor Owned	867
No Indication of Owner	71
TOTAL BUSES	1,984
(These figures do not include over-the-road type passenger coaches used for activity trips.)	

ACCIDENT DATA 1992-1993	
Number of Accidents by Type	
Pedestrian	1
Collision with other motor vehicle	75
Collision with fixed object	8
On-board accidents	2
Other	3
TOTAL	89
Number of Accidents by Severity	
Fatal	0
Injury	3
Property	86
TOTAL	89

III. BENEFITS OF PUPIL TRANSPORTATION

After much discussion, the Task Force was unanimous in the belief that Montana needs a pupil transportation system to transport our students to and from school. Based upon the analysis of the following criteria, the current yellow bus fleet in Montana is clearly at the heart of such a system.

A. Safety

The yellow school bus has a proven record of being the safest vehicle on the road. The Task Force believes additional students would be at risk for serious injury and death if the yellow school bus is not used (driving on icy roads, walking in cold weather, increased traffic congestion around schools, etc.).

B. Access to Education

The Task Force believes there are students who would not get to school without it. They believe transportation is directly related to constitutionally mandated access to a free and appropriate public education. The task force reasoned that given the federal government believes transportation is a related service for special education, it follows that it should be a related service for general education too.

C. Equity

All students should have an equal opportunity to get to school. Costs of providing the transportation should also be equalized. (It was an issue in the school equalization lawsuit, but the legislature has not acted on it to date.)

D. Welfare

Some families are physically and economically unable to provide adequate transportation for their children.

E. Geographical Considerations

Montana is a rural state. In some areas, homes and schools can be great distances from one another. The Task Force believes parents should not bear the entire burden of transporting students. For instance, in the case of farming or ranching families, transporting the child to school can take a large portion of the parent's day away from the farm. Clearly, the current system is more efficient than a number of private vehicles travelling the same road.

F. Benefit to the General Public

School busing cuts down the number of cars on the road. It improves traffic flow. It is better for the environment, given the reduction of air pollution resulting from reduced traffic on the road twice a day. As well, it saves precious energy resources.

G. Logistics

School parking areas are not designed to serve the number of cars would be at the school each morning and afternoon if there were no buses. At high schools there could be increased demand for additional parking places.

H. Economics

The Task Force does not believe the private sector could provide services at a lower cost. It also believes there are areas in the state where it is not profitable to provide transportation. Therefore, transportation services would not exist in some areas if providing them were left to the private sector. There was also concern that safety standards might be lower if the provisions of school transportation were left to the private sector with no regulatory oversight. For instance, there would be less control over the quality/training of drivers and the safety features of buses.

I. Efficiency

By pooling resources, busing provides an efficient way to get children to school. It saves time and money for parents/guardians and taxpayers alike.

IV. FUNDING

The Task Force endorses the present state/county supported mileage reimbursement method with the following modifications.

Discussion: Given geographic variations of the state, the group believes a mileage reimbursement system is a fair and equitable way to distribute funds.

A. Method of Distribution

The Task Force decided to endorse the rates in the current mileage reimbursement method. However, they would like the record to note the rate of \$.85 per mile plus \$.0213 per each additional seat in the rated capacity over 45 does not come close to covering current costs.

Discussion: The group discussed adjusting reimbursement rates to reflect differences in conditions for urban versus rural routes or for routes with under 50 percent eligible riders. Some of the issues discussed included, gravel versus paved roads, high numbers of students on short routes versus low numbers of students on long routes, etc. The discussion centered on exploring ways to encourage more efficient use of buses and routes, individual contracts and cut down on abuses of the present system.

The group investigated alternatives for funding buses with low ridership; for instance, sliding scales for reimbursement (buses with less than 24, 15, 12, or 10 riders would receive a lower rate than 85 cents per mile or buses with 20 percent of the rated capacity being eligible riders receiving a lower reimbursement rate, etc.).

It was mentioned that basing the reimbursement rate on the percentage of eligible riders in the rated capacity may not encourage the best possible overall bus purchases for a district. The costs of running larger buses are not necessarily greater than the costs of running smaller buses and it may be uneconomical in the long run to encourage the use of the smallest possible bus. For instance, population growth projections may indicate a large bus should be purchased, or districts may require larger buses to accommodate other activities such as field trips and athletic events; problems may arise from the sizes of buses used by contractors, etc. All these issues should be considered when a district is purchasing a bus.

As well, the idea of reimbursing by student miles was considered. In the end, the Task Force decided that in many ways the present mileage reimbursement model is an equalizer.

B. Weighted Ridership

The Task Force recommends the following system of weighting riders to determine the capacity by which the reimbursement is calculated:

Students Grades K-8 =	1 seat	($\frac{1}{3}$ bench seat)
High School Students	1½ seats	($\frac{1}{2}$ bench seat)
1st Wheel Chair =	12 seats	(4 bench seats)
2nd Wheel Chair =	9 seats	(3 bench seats)
Additional Wheel Chairs =	6 seats	(2 bench seats)
Special Needs (504 or IDEA) =	3 seats	(1 bench seat)
(includes transportation as a related service on the IEP and/or special accommodations required)		

While the method above will be used to determine the level of reimbursement, the "rated capacity" posted on the bus will still be used to determine the maximum allowable number of riders.

Discussion: The Task Force believes that reimbursement based on the number of seats on the bus or the "rated capacity" of the bus should better reflect the number of students who actually fit on the bus under different circumstances. The official rated capacity of a bus is usually based on three students per seat. However, it is not realistic to think that three high school students will fit on a school bus bench seat. It would be more realistic to count high school students at a rate of two per seat. Presently, buses carrying special education students are automatically deemed "full" for reimbursement purposes. The Task Force is concerned that to receive full funding, more buses may be designated as "special education" than are needed. The lift equipment and space for the first wheelchair on a bus usually requires the space of four normal bench seats or the equivalent of 12 seats of the bus's rated capacity.

C. Special Education Buses

Given the discussion in Item B above, the Task Force strongly recommends that a special education bus no longer be automatically deemed "full" just because it carries one special ed student with an IEP requirement for transportation.

D. Ridership Reporting (Accountability)

The Task Force recommends determining reimbursement level qualification for grades 9-12 upon eligibility of ridership rather than mere eligibility. To implement this, it recommends taking an actual rider count for one five-day period per year for students in grades 9-12. The number used for reimbursement purposes will be the

day with the highest ridership during the five-day period. Counts will be taken on the morning route only.

The Task Force recommends taking the count during the time period around November 16-22. This is a low activity (sports) time period, and, therefore, represents a higher ridership period.

The Task Force further recommends this provision be directly tied to the weighted ridership recommendation. If the weighted ridership is not used, then this ridership count should also not be used.

It is further recommended that wording consistent with the intent of the following be adopted into Montana law:

All students in grades 9-12 who are assigned to a bus and transported at least once during the reporting period must be counted. All information will be recorded on a TR-1 form. The TR-1 forms are due to the Office of Public Instruction seven working days following the final date of the reporting period.

Eligible transportee counts will be taken on the morning routes for five consecutive days during the reporting period. Counts will be done on the following date:

November 16 - 22, or on 5 days within this general time period which accommodate the least amount of athletic and extra-curricular activities.

Each year the date of the reporting period will be established by the Superintendent of Public Instruction or designee.

The determination of eligible transportees will be based on the highest number of riders during the five days of the reporting period.

To be eligible for funding a student must meet at least one of the following conditions:

- 1. Resides at least 3 miles from school as per MCA 20-10-101.*
- 2. Is a special education student who has transportation as a related service listed on a valid Individualized Education Program (IEP) as per MCA 20-7-442 and ARM 10.16.2502.*
- 3. Qualifies as an eligible transportee because of hazardous walking conditions as determined by the County Transportation Committee and other applicable rules or statutes (if adopted).*

Discussion: The Task Force discussed the pros and cons of requiring schools to count the students that actually ride the bus and basing reimbursement on the number of eligible students that ride rather than on the number of eligible students that might potentially ride. The goal of this count is to base funding on a better representation of who is actually riding the bus. Counting actual riders would help provide explanations and

justification when questions arise about empty buses. The group engaged in a discussion which included concerns about:

- The ability to accomplish the same goal with a ticket-based system
- Seasonality of ridership
- Flu outbreaks during the counting period
- Timing of the counting period (morning or afternoon)
- Small district's ability to call parents and arrange to stack the count in their favor
- The age group that should be counted (7th-12th Grade?)
- The optimum number of counting periods that should be used
- The absence of a couple of students making the difference in the level of funding for a bus route
- Problems that could arise with the count the first year
- Will it really change anything? Will it result in fuller buses? Will it change the perception of the public?
- Ability of OPI to manage with the additional paperwork.

E. Individual Transportation Contracts and Room and Board

The Task Force recommends that the following changes be made to the conditions and stipulations of the Individual Transportation Contract and Room and Board:

- a. **Make the mileage reimbursement exclusion to the bus stop the same as for the distance to the school - 3 miles.**
- b. **Include contract language that the student must actually be living at the address used to calculate the mileage on the contract and that the student must continue to live at the address to continue to receive reimbursement.**
- c. **Increase the reimbursement for room and board from \$5.31 to \$8 per day for the first child and \$3.19 to \$5 for the second and subsequent child(ren).**
- d. **Set the maximum reimbursement that a family can receive for an individual contract to not exceed the rate received for room and board.**

Discussion: Rates for room and board have not been adjusted to reflect inflation for many years. In addition, there are families commuting to schools which have individual contracts for transportation that exceed the amount they would have received in a room and board provision. The Task Force believes it would help avoid misuse and control cost if the state adjusted the room and board provision to a more realistic level and limited individual contract amounts to the level of the room and board provision.

V. COUNTY TRANSPORTATION COMMITTEE

The Task Force recommends the adoption of operation and procedure guidelines for the county transportation committees. It recommends adoption of language not inconsistent with the following which has been adapted from the document used by the Flathead County Transportation Committee:

Philosophy

The goal of the County Transportation Committee is to provide a safe, efficient and economical pupil transportation system within the county and to perform the duties set forth in 20-10-132, MCA, in a consistent and equitable manner.

Definitions

Transportation Service Area: A Transportation Service Area (TSA) defines the geographic area of responsibility for school bus transportation for each district that operates a school bus transportation program.

Bus Route: A bus route is any route approved by the Board of Trustees of the operating district and by the County Transportation Committee.

Route Change: Any change in an approved bus route.

Other definitions are contained in 20-10-101, MCA.

Meetings

Meetings will be called by the County Superintendent as needed, see 20-10-131 MCA.

In order to conduct business, a quorum of the committee must be in attendance. A quorum shall consist of a majority of the membership (20-10-131(3), MCA). Approval of a motion shall require the affirmative vote of a majority of the members present.

Bus Routes

All new routes and route changes must be approved by the County Transportation Committee. In emergency situations, temporary approval may be granted by the County Superintendent. Official action will be taken by the County Transportation Committee.

Any request for the consideration of a new route or for a change in an existing route must include the following:

- 1. Route map showing old and new routes*
- 2. Description of turnarounds*
- 3. Conditions affecting safety*
- 4. Total mileage and/or change in mileage*
- 5. Approximate total cost*

6. *Rationale*
7. *Number of children to be served*
8. *A copy of the official minutes of the school board meeting at which the trustees approved the new route(s) or route changes*
9. *Other criteria as determined by the local transportation committee*

Transportation Service Areas (TSAs)

Transportation service areas (TSAs) are normally defined by high school or elementary school district boundaries. However, when factors of pupil safety, efficiency or economics are in conflict with this, the county transportation committee may vote to adjust any TSA boundary.

Each TSA will be identified as elementary (grades K-8), high school (grades 9-12) or K-12. The high school TSA will encompass the TSAs of all elementary schools which are assigned to send students to that high school.

Bus routes will not be extended to pick up or discharge students outside their own TSAs unless a written agreement is approved by trustees of the TSAs involved or by direction of the county transportation committee.

When the trustees of two TSAs enter into a written agreement to authorize transportation between TSAs, a copy of that agreement must be submitted to the County Superintendent. Once approved, such agreements will remain in force for the current school year.

Individual Transportation

When an application for increased reimbursement for individual transportation is presented to the county transportation committee, it shall include the following:

1. *A fully completed, signed transportation contract (Form TR-4). There must be sufficient information to make a determination, pursuant to 10.7.116 ARM.*
2. *A copy of the official minutes of the school board meeting at which the trustees acted on the request for increased reimbursement.*

Applications for increased reimbursement due to isolated conditions will be considered and processed in accordance with 20-10-142 and any other pertinent statutes. A majority of a quorum of the county transportation committee must approve the request for increased reimbursement at an official meeting.

Penalties

A violation of any county transportation committee policies may result in a recommendation of temporary or permanent withholding of transportation reimbursement to the school district(s) involved as allowed by 20-10-104. Decisions based on false information will be considered null and void and must be reapproved following the same standards as were applied to the original request.

Discussion: The Task Force discussed at length the transportation problems encountered by students attending school out of their district of residence, including duplication of routes. This discussion included examples of the conflicts between districts arising from one district "raiding" another district and sending a bus to pick up the children in question.

Administrative Rules of Montana, 10.64.701, "Criteria for Establishing Transportation Areas" was read. The Task Force seemed to approve of the rule, but thought it needed to be expanded. The Task Force didn't make any specific recommendations with regard to this rule.

The Task Force determined that the majority of transportation problems should be addressed by the county transportation committee. However, the task force acknowledged that, presently, county transportation committees have varying degrees of effectiveness throughout the state.

Guidelines for county transportation committees would provide for statewide consistency. There would still be an appeals process for disputes.

Changing the composition of the county transportation committee might give it more balance and taxpayer representation. The Task Force was concerned that including more public members on the committee would cause more problems than it would solve. Often public members don't have the background they would need to deal with the issues and it is difficult to get committee members who are committed to the process. It is already difficult to get committee members to attend these meetings; having more public representation would make it even more difficult. The Task Force decided not to recommend changing the makeup of the county transportation committee membership.

VI. ELIGIBILITY

A. Three-mile limit

The Task Force makes no recommendation to change the three-mile eligibility requirements of MCA 20-10-101.

Discussion: The Task Force discussed the pros and cons involved in altering the three-mile limit for determining eligibility for reimbursement. Included in the discussion was debate about three miles being too long of a distance to expect young elementary students to walk. Debate centered around responsibilities of parents, additional costs to the state, county and districts that would arise from lowering the eligibility requirement, the number of new individual transportation contracts that could potentially arise, equity issues with regard to the arbitrariness of the three-mile limit, and specific problems that would arise in districts that have been built with the three-mile limit in mind (Miles City for example). The group discussed changes in society that make placing the burden on parents for getting children to school more difficult than it has been in the past.

B. Hazardous Walking Conditions

The Task Force recommends the state adopt a provision which will allow students who reside under three miles from their school of attendance, but are subject to hazardous walking conditions, to be deemed as eligible transportees and be subject to all the rights and privileges associated with eligible transportees over three miles.

It recommends adoption of language not inconsistent with the intent of the following into Montana law:

The school board of a district shall designate as hazardous those routes which cannot be safely traveled by students who live within the three-mile limit. The designation may recognize hazards such as ongoing construction that exist only part of the time and in these instances the designation shall be applicable only during the time the hazards are found to exist. Such conditions shall be inspected by a representative of the highway patrol. This representative shall determine whether or not the condition is hazardous to students and report it to the County Transportation Committee.

The hazardous route designation must be approved by the County Transportation Committee. If denied, an appeal may be made to the Superintendent of Public Instruction.

If approved, the student is then determined to be an eligible transportee.

Upon determination that a condition is hazardous to such a student, the district school board shall request a determination from the state or local governmental entity having jurisdiction regarding whether the hazard will be corrected and, if so, regarding a projected completion date.

State funds shall be allocated for the transportation of students subjected to such hazards, provided that such funding shall cease upon correction of the hazard or upon the projected completion date, whichever occurs first.

A hazardous route designation applies only during the period the hazard exists and for a maximum of one school year.

Upon passage, the Superintendent of Public Instruction shall establish a statewide task force that will set specific criteria for hazardous walking conditions and present them to the 1997 Legislature for their approval.

Discussion:

EXHIBIT 1
DATE 1-25-95
SB 112

Pros

- Safety has always been a top priority with this Task Force. The state should be involved in student safety issues and the state should assist in funding routes where hazards exist.
- Guidelines would assist districts by giving clear direction about what should be considered a hazard. Districts would have something tangible to back up their decisions and explain to parents why routes are determined not to be hazardous.
- Although some districts already adequately recognize and respond to hazards, others do not. This would ensure that the subject is addressed in a more uniform fashion statewide.
- It is good public relations. The demographics of the state are changing. Hazards grow along with population growth. There is evidence that parents are concerned about this issue. School districts need to be responsive to the concerns of parents. It would be a small step toward accommodating the wishes of parents.
- The additional costs for reimbursing routes where real hazards exist would be insignificant.

Cons

- This issue should be left to local control. Districts can best determine whether a condition is hazardous and if a bus route would be appropriate.
- The number of requests for new routes could get out of hand. The discussions among the districts, parents, the county and state about determining when a hazard exists could be politically motivated. Parents could take advantage of the opportunity and use it as a method to make the district form a bus route under the three-mile limit. It could place undue hardships on the district.
- It could be expensive for the state to reimburse the number of additional bus routes this could generate.
- No two people agree what should be considered hazardous. It could be difficult, if not impossible, to develop statewide guidelines for determining when a hazardous condition exists.

VII. COORDINATION OF SERVICES

The Task Force encourages collaboration between schools and other transportation providers such as senior citizens and groups who serve the developmentally disabled. This collaboration may be in sharing resources and/or equipment to meet community and school transportation needs. However, any collaboration needs to be in compliance with the laws and regulations governing transportation.

Discussion:

Concerns

A. Safety

There was concern that it may not be adequately safe for students (especially grade school students) to ride on non-school buses where unknown members of the public could be riding at the same time, where bus drivers may not be aware of each student's individual needs, and where the buses may not have the same safety standards (Guideline 17) as school buses. The mass transit representative explained the requirements and opportunities available to their bus drivers and the requirements are quite similar as the ones required of school bus drivers.

B. Public Service Commission Issues

There was concern that if school buses went into the business of transporting other community groups, they may create unfair public competition for licensed private carriers who transport those groups. Depending on the circumstances, the school districts might violate commerce laws and could be charged. The task force should not encourage these violations.

Still, the majority of the group concluded that the concept of working with other transportation providers is worthwhile. The group is convinced there should be ways to combine resources, that with minor changes on both sides, and with guidance from the Department of Transportation and the Public Service Commission, opportunities for collaboration do exist and should be encouraged. An example might be when a senior citizen's group obtains a grant for a small lift equipped bus, through collaboration the bus could be ordered to meet Montana school bus standards. The district could use it to transport wheelchair bound students and in exchange provide maintenance to the bus and driver labor for the seniors.

EXHIBIT 1

DATE 1-25-95

SB 112

PUPIL TRANSPORTATION TASK FORCE MEMBERSHIP

Al McMilin, Chairman

Phone: 266-5512

- A. Montana Association of School Superintendents
(Nine positions appointed by MASS regional presidents)

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MACSS

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232-7800
232-7803 FAX

- C. School Transportation Director/Supervisor/
Mechanic (Two positions appointed by
Montana Association of Pupil Transportation)

MAPT

Gary Rose, Adm. Ass't.
Kalispell Public Schools
233 First Avenue E.
Kalispell, MT 59901
756-5015
756-4510 FAX

- MAPT
Alex Ferguson, Trans. Supv.
Cascade Public Schools
West End Central Avenue
Cascade, MT 59421
468-2212 WK
468-2700 HM
468-2212 FAX
- D. Montana School Bus Contractors
(One position appointed by MSBCA)
- MSBCA
Dale Duff
Rocky Mountain Transportation
1410 E. Edgewood Dr.
Whitefish, MT 59937
862-2539
862-8706 FAX
- E. Montana School Business Officials
(One position appointed by MASBO)
- MASBO
Warren Gamas
Glasgow Public Schools
Box 28
Glasgow, MT 59230
228-2406
228-2407 FAX
- F. Special Education Directors
(One position appointed by MCASE)
- MCASE
Brad Nimmick
Skyline Center
3300 3rd St. N.E.
Great Falls, MT 59404
791-2270
791-2277 FAX
- G. Parents
(Three positions, one a parent of a special ed student; one "very rural" parent over 35 miles from school; one "short distance" parent, 3-5 miles from school; all appointed by the Montana PTSA) *
- PTSA
Klarissa Jensen
900 Cherry Hill #D
Polson, MT 59860
883-4319
- H. Building Principals
(Two Positions appointed by MAEMP and MASSP) *
- MAEMP
Sharon Walker, Principal
Kessler Elementary School
2420 Choteau St.
Helena, MT 59601
442-0150
- I. School Board Trustee
(One position appointed by MSBA)
- MSBA
Bob Anderson, Executive Director
Montana School Boards Association
No. 1 South Montana
Helena, MT 59601
442-2180
- J. Teachers
(One position appointed by MEA)
- MEA
Scott T. McCulloch
611 Tabriz
Billings, MT 59105
652-7179 WK
248-5226 HM
- K. Headstart
(One position appointed by Headstart)
- HEADSTART
Royal Johnson
Rocky Mountain Development Center
PO Box 1717
Helena, MT 59624
442-7930
- L. Mass Transit
(One position appointed by Montana Transit Association)
- MTA
Orval Meyer, President
Montana Transit Association
630 No. Main
Helena, MT 59601
442-9333

- M. Para-Transit Providers
(Two positions, one appointed by Montana Association for Independent Disabilities Services (MAIDS), and one by the Montana Association of Area Agencies on Aging (M4A).

MAIDS
Dave Sutinen
Quality Life Concepts
PO Box 2506
Great Falls, MT 59403
452-9531

M4A
Randy Barrett, Director
Area VIII Agency on Aging
Box 202
Black Eagle, MT 59414
454-6991

- N. Government
(One from Governor's Task Force on Government appointed by Task Force--One Legislator)

GOVERNOR'S TASK FORCE
Storrs Bishop
PO Box 667
Ennis, MT 59729

MONTANA HOUSE
OF REPRESENTATIVES **
The Honorable Robert Clark
PO Box 216
Ryegate, MT 59074
568-2553

- O. General Public
(One member to be appointed by the Montana Chamber of Commerce)

MONTANA CHAMBER OF COMMERCE
David Owen, President
MT Chamber of Commerce
PO Box 1730
Helena, MT 59624
442-2405

* Some positions remained unfilled by the organization asked to name members.

** The Honorable Robert Clark was not able to attend the meetings, but asked to kept informed of the work of the task force.

VIII. EQUITY

The Task Force recommends elimination of county mill levies for transportation and in their place raising the same amount of money through a statewide mill levy (approximately 6 mills) or some alternative funding source.

Discussion: Alternative funding sources discussed included: a special transportation tax, gas tax, parent/guardian pay, or income tax credit. The group generally agreed that a special transportation tax or gas tax may be viable considerations; however, the group's recommendation is the statewide mill levy.

This discussion also included the suggestion of completely getting the state out of the transportation business, having the parents pay 100 percent or having the county fully fund the program. Questions also arose regarding what would happen to county transportation reserves if the county was completely removed from the equation.

IX. FORMS/INSERVICE

The Task Force recommends that regional workshops be developed to assist in the certification of bus drivers. These workshops would include:

- Department of Transportation on-site bus driver exams.
- Workshops/materials for the written exam.
- First Aid classes.
- Other required training (i.e., drug & alcohol awareness).

The Task Force also recommends that inservice credits be included in the formal requirements for bus driver recertification.

The Task Force further recommends that bus riding skills be incorporated into curriculum for young students.

Discussion: It was suggested that a form be developed for the reporting of information that would be useful to OPI in producing statewide data. For instance, a breakdown of transportation expenses or other items that would assist OPI when people request statewide information on transportation. School district personnel on the task force did not think it would be beneficial to their district to give that kind of information to OPI. In the past, that kind of information at the state level has been used as a justification in budget cutting. For example, District A doesn't need a transportation supervisor; therefore, why should District B? The Task Force voted against recommending the development of an information bank.

X. EQUIPMENT

The Task Force recommends 15 years as the maximum age of a yellow school bus to be used for the transportation of Montana public school students on subsidized bus routes to and from school.

The task force did not want to include recommendations for group equipment purchases at this time.

Issues regarding equipment age include ongoing development of new standards and safer buses, safety issues related to wear and tear and fatigue, and the recommendation of the national Transportation Research Board that all pre-standard (pre-1977) be removed from service as quickly as possible. The task force discussed using some sort of a phase-in of this policy. For instance, by the year 2000 no buses over 15 years old will be used. The task force initially discussed a 10-year maximum, but concluded 15 to be more realistic.

XI. PUBLIC RELATIONS

The Task Force recommends that all school districts undertake a yearly, thorough public relations effort that outlines the scope of operations, costs, benefits, and any anomalies that might cause misunderstanding (i.e., the bus with only a few students on it) of the district's pupil transportation system.

PUPIL TRANSPORTATION TASK FORCE RECOMMENDATIONS

EXECUTIVE SUMMARY

SENATE EDUCATION

EXHIBIT NO. 2

DATE 1/25/95

BILL NO. SB 112

TRANSPORTATION SYSTEM

The Task Force (TF) is unanimous in the belief that Montana needs a system to transport students to and from school that includes the use of the yellow school bus.

- No action required.

SCHOOL BUS FUNDING FOR HOME-TO-SCHOOL AND BACK

The TF endorses the present state county-supported mileage reimbursement model with the following modifications:

- ◆ Weight student bus ridership to reflect the amount of space they occupy on the bus, including students with disabilities.
- ◆ No longer deem a bus "full" just because it carries a special education student who's Individualized Education Plan requires transportation as a related service.
- ◆ Calculate reimbursement by
 - counting all eligible elementary students, and
 - counting only the eligible high school students which ride during a week designated to count riders.

(The TF recommends weighting, spec. ed. and counting be tied together and one not be approved without the others.)

- Included in bill draft.

► Requires change in A.R.M. Does not require change in statute.

- Included in bill draft.

INDIVIDUAL ROOM AND BOARD AND TRANSPORTATION CONTRACTS

- ◆ Make the mileage reimbursement exclusion to the bus stop the same as for the distance to school - 3 miles. Limit all individual contract reimbursements to actual miles transported.
- ◆ Cap contracts for individual transportation at the level a family would receive for room and board reimbursement.
- ◆ Increase the rate for room and board from \$5.31 to \$8 per day for the first child and \$3.19 to \$5 for the second and subsequent child(ren).

- Included in bill draft.

- Included in bill draft.

- Included in bill draft.

COUNTY TRANSPORTATION COMMITTEE

- ◆ Adopt operation and procedure guidelines for the county transportation committees.

- Legal parameters of guidelines included in bill draft.

ELIGIBILITY FOR SCHOOL BUS RIDE

- ◆ Make no change to the three-mile requirement.
- ◆ Initiate study and adopt a provision to make students under three miles, who are exposed to hazardous walking conditions, eligible for transportation.

- No action required.

- OPI will initiate recommended study.

COORDINATION OF SERVICES WITH OTHER TRANSPORTATION PROVIDERS

- ◆ Encourage collaboration between schools and other groups like senior citizen centers.

- Resolution drafted.

EQUITY

- ◆ Replace the county transportation levy with a statewide mill calculated to raise the same amount.

- No action taken.

OTHER

- ◆ Provide regional training and certification workshops for drivers. Require inservice credits for drivers. Incorporate bus riding skills into curriculum for young riders.
- ◆ Adopt 15 years as the maximum age of a yellow school bus for subsidized bus routes.
- ◆ Recommend to all school districts that they undertake a yearly, thorough informational/public relations effort regarding pupil transportation.

- OPI will implement recommendations.

- No action. OPI will release as a recommendation.

- No action. OPI will release as a recommendation.

PUPIL TRANSPORTATION FINANCE TASK FORCE

HANDOUT #1

SENATE EDUCATION

EXHIBIT NO. 3

DATE 1/25/75

BILL NO. 50 112

CURRENT SYSTEM:

1. DISTRICT DETERMINES ROUTES
2. ROUTES APPROVED BY COUNTY TRANSPORTATION COMMITTEE
3. FALL - TR-2 FORMS COMPLETED LISTING ALL ELIGIBLE RIDERS 3 TO A SEAT UP TO THE MAXIMUM SEATING CAPACITY OF THE BUS
4. IF # OF RIDERS $\geq 1/2$ OR MORE OF SEATING CAPACITY THEN REIMBURSEMENT IS \$.85 PER MILE TRAVELED EACH DAY FOR THE FIRST 45 PASSENGER SEATING POSITIONS + \$.0213/MI FOR EACH PSP OVER 45 UP TO THE MAXIMUM SEATING CAPACITY OF THE BUS

EXAMPLE:

- 72 PASSENGER BUS (3 TO A SEAT)
- TR-2 SHOWS 51 RIDERS (35 ELEMENTARY & 16 HS)
- BUS CLEARLY HALF FULL

CALCULATION:

$$\begin{aligned} 72 - 45 &= 27 \text{ PSP ABOVE 45} \\ 27 \times \$0.0213 &= \$0.58 \\ \$0.85 + \$0.58 &= \$1.43 \text{ PER MILE REIMBURSEMENT} \\ \$1.43 \times \# \text{ OF MILES IN THE ROUTE PER DAY} \times 180 \text{ DAYS} \end{aligned}$$

5. IF # OF RIDERS \leq LESS THAN $1/2$ THE SEATING CAPACITY OF THE BUS THEN ALTERNATIVE FORMULA IS USED TO DETERMINE ADJUSTED RATE CAPACITY AND SUBSEQUENT REIMBURSEMENT RATE

EXAMPLE:

- 72 PASSENGER BUS (3 TO A SEAT)
- TR-2 SHOWS 34 RIDERS (8 ELEMENTARY & 26 HS)

CALCULATION:

$$\begin{aligned} 34 \text{ RIDERS} \times 2 &= 68 \text{ ADJUSTED RATED CAPACITY} \\ 68 - 45 &= 23 \text{ PSP ABOVE 45} \\ 23 \times \$0.0213 &= \$0.49 \\ \$0.85 + \$0.49 &= \$1.34 \text{ PER MILE REIMBURSEMENT} \\ \$1.34 \times \# \text{ OF MILES IN THE ROUTE PER DAY} \times 180 \text{ DAYS} \end{aligned}$$

PROPOSED SYSTEM:

1. DISTRICT DETERMINES ROUTES
2. ROUTES APPROVED BY COUNTY TRANSPORTATION COMMITTEE
3. TR-2 FORM LISTS ELIGIBLE RIDERS ON THE APPROVED ROUTE
4. HIGH SCHOOL FALL COUNT WEEK - TO BE COUNTED AS AN ELIGIBLE RIDER FOR REIMBURSEMENT PURPOSES A HIGH SCHOOL STUDENT MUST RIDE AT LEAST ONCE DURING THE FALL COUNT WEEK - ALL ELEMENTARY LISTED ON TR-2 ARE COUNTED AUTOMATICALLY
5. GIVEN THE RESULT OF THE THE FALL COUNT WEEK THE WEIGHTED RIDERSHIP FOR EACH ROUTE IS COMPUTED
6. IF # OF RIDERS COMPUTED UNDER THE WEIGHTED RIDERSHIP FORMULA = 1/2 OR MORE OF THE SEATING CAPACITY OF THE BUS THEN REIMBURSEMENT IS \$.85 PER MILE TRAVELED EACH DAY FOR THE FIRST 45 PSP + \$.0213/MI FOR EACH PSP OVER 45 UP TO THE MAXIMUM CAPACITY OF THE BUS
7. IF # OF RIDERS USING WEIGHTED RIDERSHIP FORMULA = LESS THAN 1/2 THE SEATING CAPACITY OF THE BUS THEN ALTERNATIVE FORMULA IS USED TO DETERMINE REIMBURSEMENT RATE

EXAMPLE #1:

- 72 PASSENGER BUS (3 TO A SEAT)
- TR-2 SHOWS 50 RIDERS (35 ELEMENTARY & 16 HS)
- FALL COUNT SHOWS ONLY 12 HS RIDING
- WEIGHTED RIDERSHIP COMPUTED:
 $35 + (12 \times 1.5) = 53$ - CLEARLY OVER 1/2 SEATING CAPACITY

CALCULATION:

$$\begin{aligned} 72 - 45 &= 27 \text{ PSP ABOVE 45} \\ 27 \times \$0.0213 &= \$58 \\ \$85 + \$58 &= \$1.43 \text{ PER MILE REIMBURSEMENT} \\ \$1.43 \times \# \text{ OF MILES IN THE ROUTE PER DAY} \times 180 \text{ DAYS} \end{aligned}$$

EXAMPLE #2:

- 72 PASSENGER BUS (3 TO A SEAT)
- TR-2 SHOWS 34 RIDERS (8 ELEMENTARY & 26 HS)
- FALL COUNT SHOWS 26 HS RIDING
- WEIGHTED RIDERSHIP COMPUTED:
 $12 + (26 \times 1.5) = 51$ - CLEARLY OVER HALF

* IF WEIGHTED NOT USED 34 RIDERS WOULD HAVE BEEN UNDER HALF AND THE ALTERNATIVE FORMULA WOULD HAVE BEEN USED MAKING REIMBURSEMENT AT THE LOWER RATE.

THE EAST HELENA PUBLIC SCHOOLS

SCHOOL DISTRICT No. 9 • P.O. Box 1280 • EAST HELENA, MT 59635

"Success For All Students"

SUPERINTENDENT 406/227-6631

CLERK 406/227-6631

RADLEY SCHOOL 406/227-5851

MAIN STREET SCHOOL 406/227-5033

EASTGATE SCHOOL 406/227-8478

Written Testimony for Senate Education Committee on HB 51

SENATE EDUCATION

EXHIBIT NO. 4

DATE 1/25/95

BILL NO. HB 51

I write in support of HB 51. As a school administrator of an Underfunded School I seek every opportunity to achieve efficiency and effectiveness in school operations. The district does not have dollars to spare and the trustees make reasoned decisions when approving expenditures.

Inflation has made the proposed increased bid limit from \$7,500 to \$15,000 a reasonable request.

Thank you for your consideration of my comments.



Ronald F. Stegmann
Superintendent

SENATE EDUCATION

EXHIBIT NO. 5

DATE 1/25/95

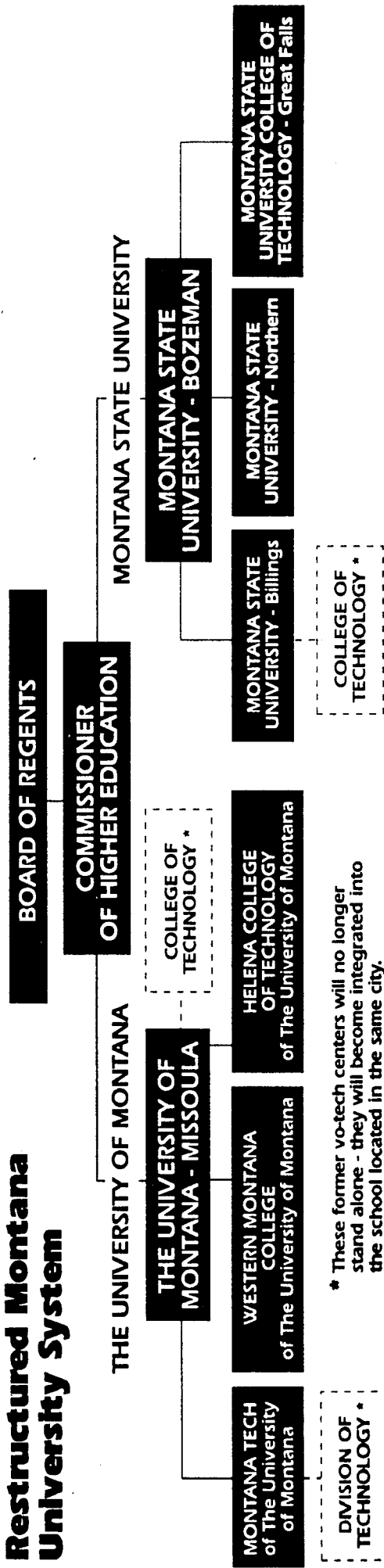
BILL NO. SB 156

**1995
REGULAR LEGISLATIVE
SESSION**

**MONTANA UNIVERSITY
SYSTEM**

January 25, 1995

Restructured Montana University System



* These former vo-tech centers will no longer stand alone - they will become integrated into the school located in the same city.

STATE BOARD OF EDUCATION: DETAIL

EXHIBIT 5
DATE 1-25-95
SB 156

STATE BOARD OF EDUCATION

GOVERNOR: PRESIDENT
SUPERINTENDENT: SECRETARY
COMMISSIONER

EX OFFICIO
NONVOTING
PARATICIPANTS

A joint board comprised of members of Board of Public Education
and Board of Regents

BOARD OF PUBLIC EDUCATION

GOVERNOR
SUPERINTENDENT
COMMISSIONER

EX OFFICIO
NONVOTING
PARTICIPANTS

7 MEMBERS, 7 YEAR TERMS

Board exercises general
supervision over the
public school system

BOARD OF REGENTS

GOVERNOR
SUPERINTENDENT
COMMISSIONER

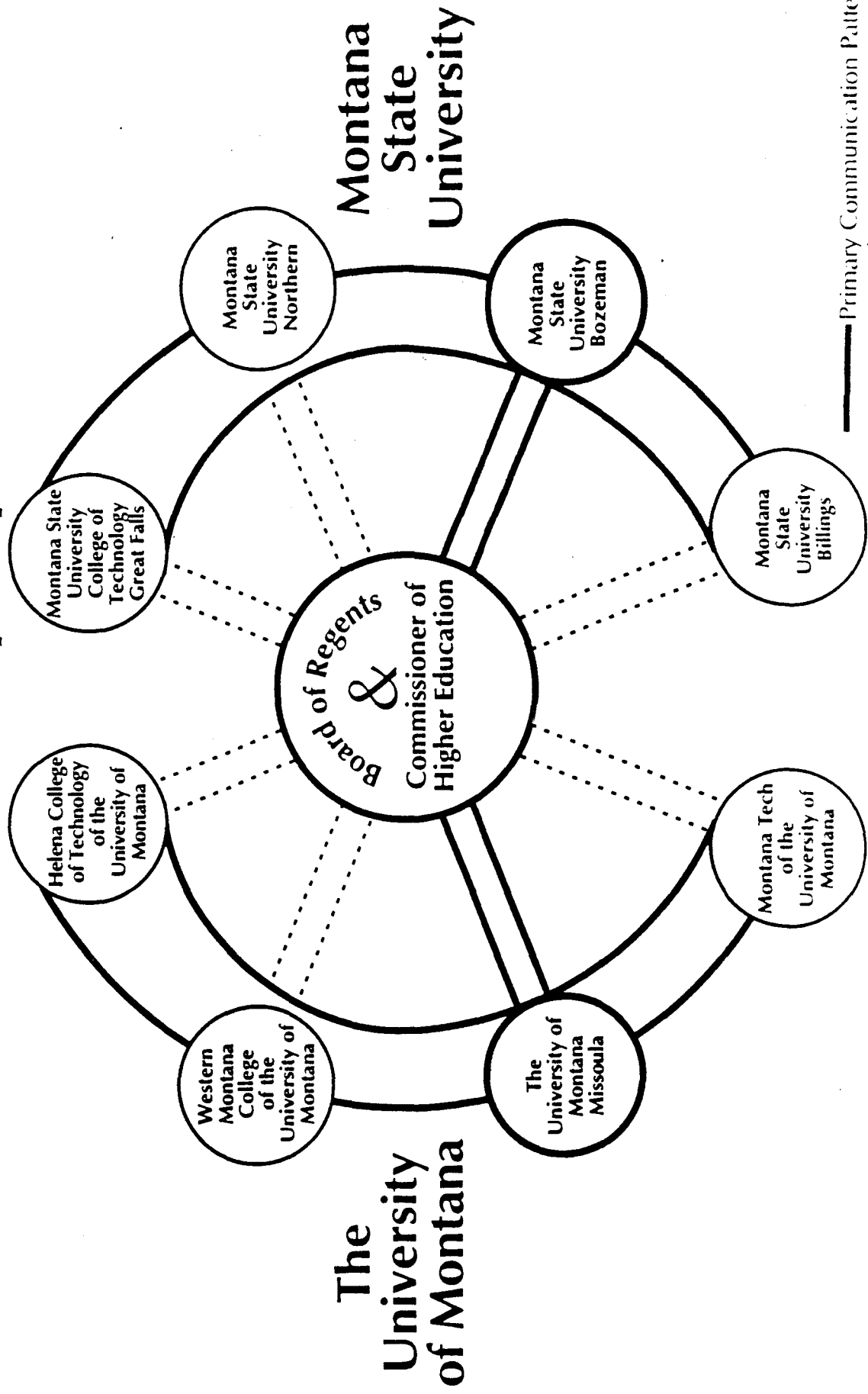
EX OFFICIO
NONVOTING
PARTICIPANTS

6 MEMBERS, 7 YEAR TERMS
1 STUDENT MEMBER,
1-4 YR TERM

Board has full power,
responsibility, and authority
to supervise, coordinate,
manage and control the
Montana University System

State Board of Education is responsible for long-range planning, and for coordinating and evaluating policies and programs for the state's educational systems. It shall submit unified budget requests. A tie vote at any meeting may be broken by the governor.

Restructured Montana University System






MONTANA UNIVERSITY SYSTEM
OFFICE OF COMMISSIONER OF HIGHER EDUCATION

EXHIBIT 5
DATE 1-25-95
SB 156

2500 BROADWAY PO BOX 203101 HELENA, MONTANA 59620-3101 (406) 444-6570 FAX (406) 444-1469

301

TO: Board of Regents

FROM: Jeff Baker
Commissioner 

SUBJECT: Progress Report on Restructuring

DATE: December 30, 1994

Enclosed is a restructuring progress report prepared by Montana State University and The University of Montana. Earlier this fall, I shared with you the substantive change proposals submitted to the Northwest Association of Schools and Colleges. The responses from Dr. Joseph A. Malik, NWASC Executive Director, are included.

We are pleased with the progress to date. We are making considerable headway toward achieving the stated objectives and have moved well beyond restructuring to define the future in ways that serve students and the state to best advantage. You will receive a report on the academic program review at the January meeting, along with the legislative initiatives—items that address new directions.

I wish I could adequately express to you the dedication and hard work that people throughout the system have put into making restructuring work. The credit belongs to them. I want to make special reference to Mike Malone and George Dennison for their leadership—they have given life to the plan. Without them and the other campus leaders, we could not have come this far.

We still have a considerable way to go, but the beginning is solid.

JDB:rmb
enclosures



MONTANA UNIVERSITY SYSTEM

Office of Commissioner of Higher Education

2500 Broadway • PO Box 203101 • Helena, Montana 59620-3101 • (406) 444-6570 • FAX 406-444-6584

TO: George Dennison, President
The University of Montana

Michael Malone, President
Montana State University

FROM: Jeff Baker
Commissioner

SUBJECT: Report Card

DATE: November 9, 1994

As we prepare for the January Board of Regents meeting and the legislative session, please prepare a report card for MSU and The UM using the following format and criteria. The objectives are those outlined in the restructuring process. Both the substantive change proposals submitted to Northwest included similar language. I am using that which Don Habbe prepared.

1. Unity: Restructuring is designed to achieve a single, unified system of higher education with a totally integrated approach, not merely a collection of separate units.
2. Improved service to students and increased productivity: Restructuring should increase the quality and quantity of academic and support programs and, if possible, decrease costs or restrain cost increases. The emphasis here is not "saving money" but investing in program improvement.
3. Balance: Restructuring must strike an appropriate balance between appropriate centralization and necessary decentralization.
4. Two-year education: Restructuring should enhance two-year educational programs, a better fit between students and programs, and statewide access.

George Dennison
Michael Malone
Page 2
November 9, 1994

EXHIBIT 5
DATE 1-25-95
SB 156

5. Strong telecommunications system: Restructuring should enhance opportunities for distance-learning through telecommunications and other means. It should also improve management systems technology.
6. Improved academic program integration: Restructuring should address the issue of program duplication, strategic academic planning and program review, and facilitate student transfer.

Dick Crofts will coordinate. The submission deadline is December 15, 1994.
Thank you.

JDB:rmb

cc: Dick Crofts, OCHE
Chancellors



RECEIVED

DEC 21 1994

UNIVERSITY OF MONTANA

NORTHWEST ASSOCIATION OF SCHOOLS AND COLLEGES

COMMISSION ON COLLEGES

Office of the Executive Director

RECEIVED

DEC 19 1994

UNIVERSITY OF MONTANA
PRESIDENT'S OFFICE

December 15, 1994

Dr. George M. Dennison
President
University of Montana - Missoula
Missoula, MT 59812

Dear President Dennison:

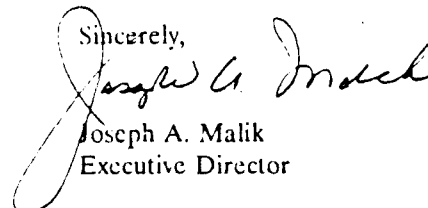
This is to report that the Commission on Colleges, at its regular meeting on December 8-9, 1994, approved the major substantive change prospectus which described the restructuring of the University of Montana. This restructuring provides for an administrative merger of Montana College of Science and Technology, Western Montana College of the University of Montana, Missoula Vocational-Technical Center, Butte Vocational-Technical Center, and the Helena Vocational-Technical Center, with the University of Montana - Missoula.

In approving the prospectus, the Commission requested that the University of Montana - Missoula prepare a focused interim report and host a small evaluation committee in spring 1996. The focused interim report and visit are to evaluate the impact of the restructuring on the University and the other institutions involved. Further, based upon the prospectus, as well as the report, "The Restructuring of the Montana University System" prepared by the Office of the Commissioner, the Commission set July 1, 1995, as the date when the College of Technology - Missoula and the College of Technology - Butte will no longer be separately accredited institutions; their accreditation will come under the University of Montana - Missoula and Montana Tech of the University of Montana, respectively. The College of Technology - Helena, which has been designated as a higher education center, will continue as a separately accredited institution.

We will write late in 1995 about the focused interim report and to suggest a date for the visit. Should there be any questions, please write or telephone the Commission office.

Best wishes for a pleasant holiday season.

Sincerely,



Joseph A. Malik
Executive Director

JAM:rb

cc:

Dr. Robert L. Kindrick, Provost/Academic Vice President
Dr. Sheila Stearns, Chancellor, Western Montana College of The University of Montana
Dr. Lindsay D. Norman, Chancellor, Montana Tech of the University of Montana
Ms. Jane G. Baker, Dean, Division of Tech. Montana Tech of the University of Montana
Dr. Dennis Lerum, Dean, College of Technology - The University of Montana - Missoula
Dr. Alex Capdeville, Dean, Helena College of Technology of the University of Montana



EXHIBIT 5
DATE 1-25-95
SB 156

NORTHWEST ASSOCIATION OF SCHOOLS AND COLLEGES

COMMISSION ON COLLEGES

Office of the Executive Director

December 15, 1994

DEC 21 1994

Dr. Michael P. Malone
President
Montana State University - Bozeman
Bozeman, MT 59717

Dear President Malone:

This is to report that the Commission on Colleges, at its regular meeting on December 8-9, 1994, approved the major substantive change prospectus which described the restructuring of Montana State University. This restructuring provides for an administrative merger of Northern Montana College, Eastern Montana College, Billings Vocational-Technical Center and Great Falls Vocational-Technical Center with Montana State University - Bozeman.

In approving the prospectus, the Commission requested that Montana State University - Bozeman prepare a focused interim report and host a small evaluation committee in spring 1996. The focused interim report and visit are to evaluate the impact of the restructuring on the University and the other institutions involved. Further, based upon the prospectus, as well as the report, "The Restructuring of the Montana University System" prepared by the Office of the Commissioner, the Commission set July 1, 1995, as the date when the College of Technology - Billings will no longer be a separately accredited institution; its accreditation will come under the Montana State University - Billings. The College of Technology - Great Falls, which has been designated as a higher education center, will continue as a separately accredited institution.

We will write late in 1995 about the focused interim report and to suggest a date for the visit. Should there be any questions, please write or telephone the Commission office.

Best wishes for a pleasant holiday season.

Sincerely,


Joseph A. Malik
Executive Director

JAM:rb

cc: Dr. Mark A. Emmert, Provost/V. P. for Academic Affairs, Montana State University, Bozeman
Dr. Ronald P. Sexton, Acting Chancellor, Montana State University, Billings
Mr. William W. Barr, Assist. Director for Academic Affairs, MSU-Billings The College of Technology
Dr. William Dachling, Chancellor, Montana State University, Northern
Mr. Willard R. Weaver, Dean, Montana State University-The College of Technology -Great Falls



The University of Montana

Office of the President
The University of Montana
Missoula, Montana 59812-1291
(406) 243-2311, FAX (406) 243-2797

20 December 1994

TO: J. Baker, Commissioner of Higher Education

FROM: G. M. Dennison, President

SUBJECT: Report Card

Restructuring the Montana University System afforded the opportunity to focus sharply upon several key goals and required a periodic and regular report card to the policy makers and people concerning the progress in attaining these goals. As in most cases involving the pursuit of quality and excellence, we measure progress by what we have accomplished rather than by the final attainment of a specific goal. For the four campuses of The University of Montana, I take great pride in submitting this report organized around the programmatic goals.

1. Unity:

- Within The University of Montana, we have sought to create an integrated institution consisting of four distinct, mission-oriented campuses working closely together. We have not centralized all functions, but instead have emphasized the most effective and efficient way to deliver services to students, faculty, staff, and external clientele. As a result, we have decentralized functions wherever possible to the operational level in order to serve unique needs in accordance with agreed upon standards of quality and responsiveness, and to assure the fulfillment of campus role and mission. Those functions best performed centrally to the benefit of all campuses, we have centralized, but always within a coordinative and collaborative context assuring campus involvement in decision making and priority setting. In our view, this approach maximizes the advantages of restructuring while also maintaining the strengths of diversity and campus autonomy.
- All campuses now report to the President of The University of Montana through either the Chancellor--in Butte and Dillon--or Dean--in Helena. The Dean of the Helena College of Technology also reports to the Provost of The University of Montana-Missoula for academic programming purposes. This arrangement has facilitated coordination of

J. Baker, Commissioner of Higher Education
20 December 1994
Page 2

all program offerings in accordance with the role and scope of each campus, and assures appropriate articulation.

- The Executive Committee meets twice annually with the President's Advisory Council comprised of citizens from across the State willing to provide advice and guidance. The meetings rotate among the campuses.
- The Executive Committee meets regularly with legislative delegations from the communities where the campuses exist.
- A Government Relations Council meets regularly to plan for initiatives at the State and national levels.
- Regularly scheduled meetings bring all administrative officers of the several campuses together for planning, articulation, coordination, and cooperation. The meeting groups include the Executive Committee of The University of Montana, consisting of the President, two Chancellors, and Dean of the Helena College of Technology; the Chief Academic Officers, with the Provost of the Missoula campus serving as the Chair; the Deans responsible for two-year and technical education, with the Dean of the Helena College of Technology serving as Chair; the Fiscal Officers, with the Vice President of the Missoula campus serving as the Chair; the Student Affairs Officers, with the Dean of Students of the Missoula campus serving as Chair; and the Outreach Officers, with a designated facilitator.
- Some integrative actions resulted directly from the design of the restructuring plan adopted by the Board of Regents.
 - The Missoula and Butte Vocational-Technical Centers have become the College of Technology within The University of Montana-Missoula and the Division of Technology of Montana Tech of The University of Montana. All administrative components of the former Centers have become integral parts of the administrative structures of the Missoula and Butte campuses, and the professionals involved have helped to design and then assumed new roles and responsibilities. At the same time, the College and Division have sustained their full ranges of vocational-technical programs while also assuming broader responsibilities within the University and Montana Tech.

respectively.

- The Helena Vocational-Technical Center has become the Helena College of Technology of The University of Montana and a Montana University System Higher Education Center. The College continues to offer its full range of vocational-technical programs, but has also begun to provide lower-division courses for academic transfer and serve as the site for graduate programming.
- The extension of services among the four campuses has resulted in increased unity and quality.
 - Facilities Services and Planning;
 - Purchasing;
 - Budgeting;
 - Computing and Networking;
 - Library Services;
 - University-wide Audits; and
 - Internal Auditing.
- By pledging auxiliary revenues for the entire University, we have initiated badly needed facilities renovation and construction on the Helena and Dillon campuses as well as the Missoula campus. We await a more favorable market to proceed with similar work on the Butte campus.
- The University has in development a policy concerning Regents' Contracts for administrators, and professionals, outlining criteria for making such appointments.
- Several specific accomplishments include:
 - A unified budget and budget request process using a multi-campus budget committee that presents recommendations to the President who reviews them with the Executive Committee.
 - A unified Long-Range Building Plan and request process using a multi-campus committee that presents recommendations to the President who reviews them with the members of the Executive Committee.

J. Baker, Commissioner of Higher Education
20 December 1994
Page 4

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DATE 1-25-95
SB 156

- A joint Graduate Advisory Council, with the Provost of the Missoula campus as Chair.
- Three joint Academic Councils for coordinated development of two-year, four-year, and graduate programs.
- An articulated transfer policy within the University, with the elimination of transfer application fees.
- Cooperative efforts in student recruitment and admissions including a common brochure listing all programs by campus; combined visits in and out of State, sharing costs and resources; and common training for admissions staff.
- A general education committee comprised of faculty members from all campuses which meets regularly to refine the general education program and develop appropriate assessment mechanisms to supplement Carnegie units and traditional grades.
- Faculty, staff, and students from all campuses participate in a Higher Education Roundtable for The University of Montana sponsored by the Pew Memorial Trust and focused upon defining the future for higher education. Building upon the results of campus-based Roundtables, the University Roundtable provides the forum for strategic discussion for The University of Montana.

2. *Improved Services to Students and Increased Productivity:*

- The University of Montana will implement on all campuses the successful collaborative planning process pioneered on the Missoula campus that ties salary increases to enhanced effectiveness and productivity standards, with appropriate attention to the unique needs and conditions of each campus.
- The former Vocational-Technical Center students will have access to all College and University facilities and services.
- Collaborative faculty meetings have focused upon sharing resources to deliver graduate programs in business administration, technology management, the sciences, and education.

- Faculty from all campuses have participated in the development of a Bachelor of Applied Sciences degree program as a capstone for Associate of Applied Sciences degree programs, at the student's option.
- Student services have expanded and deepened for Technology students in Missoula and Butte and for students on all campuses. Specific examples include sharing of resources for international education, sexual assault services, and disability services.
- Common health insurance for all students has become a high priority, and an RFP is being written and will be issued to vendors in January.
- Faculties from the Missoula, Dillon, and Butte campuses have focused directly upon student retention and time to graduation, with specific attention to a guarantee of graduation in four years to any student who will follow the program and maintain the required grade point average.
- The University has acquired for all campuses--with provision to extend the franchise to Montana State University campuses--a new, state-of-the-art Human Resources Information System, Touchtone Registration System, and Touchtone Financial Aid System. Current plans call for a new Financial Resources System within two years.
- All campuses participate in the University's benchmarking program designed to evaluate and re-engineer processes for effectiveness and efficiency in the light of "best practices," and to assure continuous quality improvement.
- All campuses have implemented employee incentive programs to identify problems or inefficiencies and develop responses.
- All campuses have participated in the development and implementation of an integrated automation system for the Libraries, complete with public access on-line catalogs, campus interconnectivity, and access to the Internet to locate remote resources.
- A common format for student and other fees for Regents' review and approval, following review and recommendation by the President with the counsel of the Executive Committee.

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3. **Balance:**

- The University of Montana has maintained a decentralized approach to functioning, paying appropriate attention to the need for diversity within the University in order to guard against mission drift.
- The University of Montana participates in a Planning Council with Montana State University and the Commissioner on Higher Education for the Montana University System with representation provided by the President, Provost, and Vice President for Administration and Finance of the Missoula campus.
- The President reviews all policy, personnel, and budget issues with the Executive Committee prior to taking them to the Regents.
- The University of Montana has extended its contacts and interactions with the K-12 educational system through the cooperation of all its campuses, especially with regard to school-to-work and workforce preparation.
- The University of Montana now coordinates all academic programming from the one-week training course through the doctoral level.
- The University of Montana has developed planning and budgeting processes that require campus deliberations prior to University discussions.
- The University of Montana deploys the expertise from each campus to assist all campuses and does not seek to duplicate unique resources--occupational safety and hazardous waste, disability services, rural education, international education, and the like.

4. **Two-Year Education:**

- The University has developed an enrollment plan for the years through FY 2000 (using FY 1994 actual enrollments as the departure point) for all campuses that contemplates increases of 787 FTE students (plus 60 percent) in two-year programs, 885 FTE students (plus eight percent) in four-year programs, and 568 FTE students (plus 50 percent) in graduate programs. These numbers will accommodate an increase of 1,585 FTE

residents (15 percent); with State funding support, and 659 FTE nonresidents (21 percent), with no State funding support. Of the 1,585 FTE residents, 722 (46 percent) will enroll in two-year programs, 404 (25 percent) will enroll in four-year programs, and 465 (29 percent) will enroll in graduate programs.

- The University of Montana has maintained the vocational-technical programs heretofore associated with the former Centers and will enhance and broaden those offerings.
- Technology and two-year program students now have access to all services heretofore available only to four-year students, as a general rule. In Missoula, College of Technology students now have access to the residence halls and family housing, expanded career assistance and placement services, all campus facilities, and will soon have access to the Student Health Services. Similar benefits have been extended in Butte. The Helena College of Technology has in development the provision of similar services.
- Faculties from the Colleges and Division of Technology have participated in the development of outcomes assessment standards to facilitate student transfer and change of status for students. These standards will take account of demonstrated proficiencies rather than credits and grades.

5. **Strong Telecommunications System:**

- The University has moved aggressively to link the campuses through telecommunications.
 - The Missoula and Helena campuses are now on-line with dedicated facilities.
 - The equipment for the Dillon campus is on order and will be installed upon delivery.
 - The Butte campus has limited access to a privately owned facility, but we have identified the need to provide a dedicated facility on the campus within the next year.

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- The University is participating actively in the development of SUMMITNET and MUSENet.
- The University will deliver graduate programs in Billings, Butte, Helena, Dillon, and Kalispell in 1995 and 1996 using interactive television.
- The expertise from the Missoula campus has been extended to all of the campuses, while drawing upon the expertise of the Butte and Dillon campuses.
- The acquisition of site licenses for The University of Montana has produced savings for all campuses.
- With the new Human Resources Information System, The University of Montana will begin to implement common or interactive systems across all campuses.

6. Academic Program Integration:

- The faculties of the several campuses have met frequently to identify ways to share resources in the delivery of graduate programs in business administration, technology management, liberal arts, health seminars, and education.
- Discussions have begun involving the geologists from the Missoula and Butte campuses looking toward a joint doctoral program in geology.
- The Education facilities of the Missoula and Dillon campuses have collaborated to redesign the Master's of Education degree delivered in Dillon and Butte.
- The faculties from all campuses will participate in the delivery of lower-division courses for transfer on the campus of the Helena College of Technology.
- The proposed Bachelor of Applied Sciences degree program will involve the faculty of all campuses of the University in the effort to respond to the needs of students earning the Associate of Applied Sciences degrees.
- The faculties of all campuses participate actively in the ongoing review

of general education and the development of outcomes indicators.

- All four campuses have reviewed program inventories and proposed restructuring and deletions to assure the most efficient and effective use of resources in response to pressing needs.
- The University has developed an expedited process for review and approval of training and Associate of Applied Arts programs so as to enable the two-year campuses to respond quickly to identified needs within their communities.
- The University has participated actively in the effort to bring the three Community Colleges into the restructured System in order to assure the achievement of the goals of restructuring and the emphasis upon two-year and technical education.



EXHIBIT 5
DATE 1-25-95
SB 156

Office of the President

211 Montana Hall
MSU • Bozeman
Bozeman, MT 59717-0242
Telephone (406) 994-2341
Fax (406) 994-1893

TO: Jeff Baker
Commissioner of Higher Education

FROM: Mike Malone
President

DATE: December 15, 1994

RE: Report Card

RECEIVED

DEC 2 1994

MONTANA UNIVERSITY SYSTEM

Jeff, this is a response to your request that we report on our efforts over the ten months since the Board of Regents approved your consolidation proposal. This information is presented in anticipation of the 1995 Montana Legislative Session. We will use the format you suggested in your request and which formed the outline for your January 1994 document.

I. UNITY

It has seemed clear from the outset that a primary purpose in the consolidation was to begin moving all of the institutions of public postsecondary education in Montana in the direction of a single more comprehensive set of objectives than had existed for the several different kinds of institutions which make up the Montana University System.

Montana State University (MSU) has attempted to organize itself and conduct its business in a way that promotes this consolidation in two ways. First, it has accepted, as always, that it is the responsibility of the Commissioner of Higher Education (CHE), to establish the agenda and the direction for postsecondary education in Montana. The use of the Administrative Policy meetings which include the CEOs and chief academic and fiscal officers from the two main campuses and the CHE staff has helped to create a far greater unity of purpose in the system than had previously existed. Secondly, MSU has oriented itself in such a way that each of its component institutions takes some measure of responsibility for the success of each of the others so that a synergy is created which improves all.

It is our belief that the unity created within the component institutions of MSU and the collaborative direction setting represented in the Administrative Policy Group have set the stage for both short term progress toward and the eventual achievement of a clearly unified system of higher education in Montana. The current initiatives toward the inclusion of the state's three community colleges in the organization will complete the next logical step in the process.

II. IMPROVED SERVICE TO STUDENTS AND INCREASED PRODUCTIVITY

For the campuses of Montana State University (MSU), restructuring has brought support program improvements that are both genuine and practical. While some of these improvements are actually in place, others should be considered "works in progress". It is clear, though, that, while some of these improvements might eventually have been pursued, the restructuring of the Montana University System (MUS) should be viewed as a primary catalyst for their exploration.

From the outset, it has been clear that for our students, the general public, and both elected and appointed officials, the issue of "transferability of credits" from one institution to another is the primary outcome expectation of this process. With this in mind, MSU has given a high priority to building on the work of the CHE to increase the ability of students to move among the MSU campuses with a minimum of loss of credits and a maximum of predictability. The goal is to allow students who transfer in the future to spend less time than they are now spending on the combination of campuses and to reduce the cost to the student and to the taxpayer. To implement this goal, an MSU Committee on General Education has been established and charged. In addition, MSU Registrars are working together to establish a computerized degree audit that will allow advisors on each campus to accurately provide information to students who are transferring to one of the others.

The creation of the new Montana State University has already yielded benefits in the areas of physical facilities and library and learning resources. The individual campuses continue to administer their own physical plants and libraries, but the creation of a common operational framework has provided opportunities for improvements which probably would not have been realized under the previous MUS organization. For example, the MSU campuses now share architectural and engineering services as well as planning and construction administration and safety and preventive maintenance programs.

MSU libraries are all linked through programs such as CATLINK in Bozeman and the newly funded system at Billings which allows Northern students access to those resources. This will allow each campus to specialize to a greater extent and should prevent campuses from needing to purchase as many volumes in common.

Perhaps the greatest potential for increased services and effectiveness in the short run has been found in the fiscal/administrative areas. These have included

- Savings through common computer software, hardware and maintenance purchases;
- Common format and criteria for prioritizing long range building projects;
- Development and implementation of a common MSU Facilities Condition Inventory.
- Regularization of control and audit procedures;
- Exploration of cooperative arrangements among printing/duplication services;

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- Expansion of Touchtone services to students on other campuses;
- Integrating the student records system of the College of Technology-Great Falls with that of the Bozeman campus; and
- Accelerating the major building construction and repair programs on the Billings and Northern campuses by extending the bonding capacity of the Bozeman to the other campuses and cross-pledging revenue sources of the campuses.

III. BALANCE

The restructuring of the Montana University System (MUS), which took effect on July 1, 1994 and which will be completely in place on July 1, 1995, placed campuses in Billings, Bozeman, Great Falls and Havre under the supervision of the President of MSU-Bozeman. The purpose of this alignment was to create a mutually supportive array of institutions with offerings from the less than two-year certificate through the doctorate. A cooperative and interdependent MSU was and is to be achieved through:

- Shared material and intellectual resources;
- Collaboration among units to meet teaching, research and public service missions;
- Movement toward a commonly accepted general education;
- Guaranteed acceptance of credits from other MSU institutions;
- Mutual efforts to ensure orderly educational changes in response to changing societal needs;
- Effective applications of distance learning and telecommunications-based management systems; and
- Recognition of the uniqueness and importance of each campus to the larger MSU

A principal theme, embraced by MSU campuses from the beginning by both design and temperament, is the need for each campus to preserve its mission, role, and scope. To that end, faculty governance, collective bargaining where it exists, fund raising by foundations, etc., are to remain within the purview of each individual campus. To this extent, MSU operates as a decentralized "opportunity based" group of institutions, each handling its own affairs through the leadership of the Chancellor or Dean, with general oversight by the President.

In certain matters, generally where oversight or approval is necessary from the CHE or the Board of Regents, the MSU president and his chief administrative officers will consult closely with the other campuses in the development of proposals to ensure that items which go forward are in keeping with stated MSU goals and objectives. In this way, the CHE and the Board can be sure that items which reach them and which impact other units in the MUS have received the necessary scrutiny.

Much of this mix of centralization and decentralization is of an evolutionary nature and will probably remain so over time as the circumstances and the cast of characters change. For this reason, it is important to have the wishes of each of the administrative officers clearly communicated to one another in this area.

IV. TWO-YEAR EDUCATION

It has been clear from the beginning of the discussions about re-structuring that the four-year units of the MUS, particularly the university campuses in Bozeman and Missoula, did not have enough capacity to handle the influx of students expected to be seeking admission between now and the year 2000. The CHE has stressed the importance of further developing the state's resources in two-year education and has indicated that much of the expansion will be taking place at the two-year campuses. As an example, the CHE is predicting growth of some 7.2% at MSU-Bozeman between FY1994 and FY2000, while the College of Technology-Great Falls (COT-GF) is anticipated to have growth in excess of 45% in the same time period. The experience in Great Falls this fall indicates that this prediction may actually understate the eventual demand for an appropriately marketed package of two-year programs in that community.

Because of the potential that would seem to be present in Great Falls, MSU has asked for and received permission to place an expansion of the COT-GF facility in place of one of its other items in the Legislative Long Range Building Program list. It is the anticipated increase in students, particularly those taking general education course, along with the possibility of co-locating other MSU programs in the Great Falls area, which is driving this LRBP decision.

Within MSU, two-year degrees are offered at all campuses except Bozeman. Both Billings and Northern offer the Associate of Arts and Associate of Science degrees. This is important because many persons within commuting distance of these schools use them as they would a true community or junior college. The MSU-Billings College of Technology and the COT-GF offer both certificate level training and the Associate of Applied Science.

MSU sees the primary mission of the two Colleges of Technology as meeting occupational and community needs in providing beneficial and accessible education, career training programs and upgrading opportunities designed to meet both current and emerging needs.

In Billings, a more clear vision of the exact role of the College of Technology will emerge from the planning process underway since October 1, 1994 as part of a Federal Title III planning grant. This process will develop goals in eight broad areas and become part of an MSU-Billings- wide plan which will provide a roadmap for the future of both two and four-year education in Yellowstone County.

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In Great Falls, needs assessments are currently underway to determine exactly which kinds of educational services are most in demand. The CHE plan makes it clear that the COT-GF will expand its two year offerings, particularly those which will transfer to degree programs at one of the four year colleges. Early surveys of students and conversations with high school counselors indicate that a significant number of students would, in fact, stay in Great Falls to complete at least the first year of college if significant offerings were available at a public institution. As a result, the COT-GF is preparing to offer a more broad range of courses in the fall of 1995.

Other indications in Great Falls are that there is significant demand from both the business and education communities for both credit coursework from bachelors through doctorate levels and for non-credit coursework designed to upgrade skills or prepare for new careers. Further surveys of persons from the health and military dependent communities are in the works.

MSU is engaging business and government leaders in the Great Falls area in a major review of the place of the COT-GF in the community. During the first half of 1995, both an internal review process and a community-wide planning charrette will be conducted to help chart the future of the college. In addition, a newly constituted area-wide advisory committee will serve as an on-going monitor of the place of the college in the community and the state.

Clearly, the campuses of MSU are behaving in a way that recognizes the importance that the CHE and the Board of Regents attach to two-year education. Those same campuses also see significant opportunities for service delivery.

V. TELECOMMUNICATIONS SYSTEMS

Montana State University believes that restructuring will enhance its Land Grant mission of providing accessibility to learning in a context of increasing public expectations and decreasing public funding. Each of the campuses is experimenting with strategies that will reposition instructional activities to include extended service components to a wider spectrum of citizens.

While many states have begun this effort with the building of enormously expensive infrastructures, the campuses of MSU have begun with existing ones which emphasize low-cost, accessible and flexible technologies. As an example, campuses are currently using text-only telecomputing to provide course work, training and services to, among others:

- Pre-college minority and honors students
- Place-bound rural teachers doing graduate work
- County and Reservation Extension Agents

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- Rural Hospital physicians and nurses
- City and county officials to a Local Government Center
- Demonstration programs to send coursework along the Hi-Line from Cut Bank to Poplar on newly installed fiber optic cable

At a next level, the campuses of MSU are currently using the MUS/DOA provided studios of the Burns Telecommunications Center to send and deliver coursework throughout the state. In addition, MSU's public broadcast media, KUSM television at Bozeman and KEMC radio at Billings reach throughout much of the state to bring information, entertainment and cultural programming to citizens. A new program, "Imagine That", highlighting the work of scientists in the MUS, was developed and produced at MSU-Bozeman and is broadcast over the KEMC and KUFM networks.

To date, most of the work done within MSU has been done on a campus-by-campus basis. These efforts have shown little overlap and have been providing needed services to Montana citizens. On December 21, 1995, those responsible for telecommunications and continuing education on MSU campuses will meet to begin to formulate a plan to coordinate efforts, to identify gaps in our combined efforts and to develop strategies to fill those gaps. Likely next steps include:

- Enhancing library services to distant users
- An electronic "waste exchange" for businesses in MT, ID, WY, ND and SD
- Integration of current state ISD CODEC system with fiber systems being installed by telephone companies for wider delivery of coursework and services
- Introducing telecommunications-based coursework and internships in cooperation with Tribal Colleges
- Greater collaboration with other MSU campuses and others in the MUS

In the area of management, MSU has not mandated a shift to a single program of computer hardware or management software. Campuses in Billings, Bozeman and Havre utilize mainframes from Digital Equipment Corporation, allowing discounts on hardware and maintenance purchases. The College of Technology-Great Falls is in the process of migrating its student records system to full integration with MSU-Bozeman. This was as a result of a not unexpected recommendation by an accreditation site visit team from the Northwest Association of Colleges and Schools. It is anticipated that, as the current generation of administrative software ages toward replacement, steps will be taken to regularize software in the areas of student, personnel, and fiscal records management.

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VI. IMPROVED ACADEMIC INTEGRATION

The restructuring of the Montana University System has consolidated under Montana State University, an enormous range of programs. These include the span from the less than two year certificate programs offered by the Colleges of Technology through the EdDs and PhDs offered only on the Bozeman campus. With the likelihood that the two Community Colleges in the lower Yellowstone Valley will be added in the near future, MSU will truly be comprehensive in its postsecondary offerings. The delicate task in the integration of these programs will be to facilitate the sharing of resources among the campuses, while limiting program growth and reducing duplication where possible.

Within the context of the new organization of the MUS, it clear that primary responsibility for the development, oversight and assessment of undergraduate education is the responsibility of the faculty at each of the four-year campuses. Clearly, the Regents and the CHE intend that those aspects of each institution which give it distinction need to be preserved. While attending to the special qualities of each campus, the President, Chancellors or Dean of each campus is charged to explore ways to facilitate better transferrability among the campuses, not only within MSU, but throughout the MUS. To this end, MSU has, as a follow-up to a June retreat, taken several actions to facilitate integration:

- Meetings of Registrars to begin to regularize policies and procedures within MSU
- Meeting of Admissions and New Student Services staffs to learn the academic programs of other MSU campuses
- Meetings of heads of common programs to work on ways of sharing resources and reducing unnecessary duplication
 - Business deans and faculties
 - Education deans and faculties
 - Computer Science/Information faculties
 - Deans/Directors of graduate studies
 - Deans/Directors of Extended Studies/Continuing Education and Telecommunications
 - Libraries
- Establishment of an MSU Committee on General Education to begin to address issues of transferrability

Perhaps no other issue in the consolidation has generated as much controversy or consumed as much time as the Great Falls Higher Education Center. The particular mix of institutions and the involvement of various alliances and individuals over years of working on this issue have combined to make it a difficult one. It is also true, though, that the MUS Higher Education Center in Great Falls may hold the greatest promise for expanding the services of the MUS to previously unserved citizens. Not unexpectedly, it is the same mix of institutions, alliances and individuals, with assistance from the Commissioner and the Deputy Commissioner, that will make this unique partnering of public and private institutions into a successful entity.

DATE 01-25-95

SENATE COMMITTEE ON Education

BILLS BEING HEARD TODAY: HB-25-HB51

SB-112 - SB-156

Name	Representing	Bill No.	Check One Support Oppose	
Ronald Stogerson	E. Helena Sch. Dist. H9	51	X	
Fred Hoppel	Mt. for better govt	156		X
Don Waldron	MREA	HB 25 SB 51 SB 112	✓	
Loran Frazin	S Am	SB 112 HB 51 25	✓	
Penny Bertelsen	San River Valley SD.	SB 112	✓	
Alex Ferguson	CATAX Sch. L Dist	SB 112	✓	
David L. Jeff	OPI	SB 112	✓	
Linda Atwood	OPI	SB 112	✓	
Conrad Osterman	Western School	HB 51	✓	
Sam Rose	SDS KALISHELL	SB 112		
Pat Hylleberg	Governor's Office	156	✓	
Ally G. G. G.	U of MT	156	✓	
Robert H. Schram	MT. Univ. System	156	✓	
JB	" " "	156	X	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY