

MINUTES OF THE MEETING
EDUCATION AND CULTURAL RESOURCES COMMITTEE
MONTANA STATE SENATE

April 12, 1985

The 27th meeting of the Senate Education and Cultural Resources Committee was called to order by the Chairman, Senator Chet Blaylock, at 12:45 p.m. in Room 325, Capitol Building.

ROLL CALL: All committee members were present with the exception of Senator McCallum.

CONSIDERATION OF HOUSE BILL 211:

REPRESENTATIVE EUDAILY, District 60, sponsor, said the bill provides for a 4% increase in the foundation program for each year of the coming biennium. HB 212, the companion bill which is in the Finance and Claims Committee, appropriates \$53,983,000 which covers the cost of the schedules covered in HB 211. He urged the to act on the bill as soon as possible so schools across the state can get on with their elections. He noted before the session began five groups, Office of Public Instruction, Montana Education Association, Montana Federation of Teachers, Montana School Boards Association, and School Administrators of Montana, met and agreed that funding at a 7% and 7% level was essential to maintain current level educational services and to keep levies from increasing.

The House Education Committee agreed, but on second reading the House dropped the funding to 4% and 4% on a 72-27 vote. He said the 4 and 4 level has held through all the budget negotiations.

PROPOSERS:

BILL ANDERSON, representing the Superintendent of Public Instruction, said the 7 and 7 figures represent full funding of the state's 65% share of the foundation program. He warned the lower figure will mean either a cut in services or higher taxes. At present it would take approximately \$155 million or new or rearranged equalization of taxes to deal with the foundation program. It would take over \$3 million to fund the transportation costs at one-third which is the state's share. Local costs are currently \$25 million - debt service, \$50 million - retirement, \$6.5 million - insurance, and \$3 million - adult education. He said those figures need to be considered when setting the foundation program levels.

Senate Education and
Cultural Resources Committee
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Both schools and local property taxpayers need need help. Twenty-two percent of the schools in the state haven't run their levies while over \$35 million in levies have been turned down. He pleaded with the committee for full funding of the foundation program.

ERIC FEAVER, President, Montana Education Association, thanked Representative Eudaily for his patience, tolerance, and perseverance in sponsoring the foundation program bills. He said the 7 and 7 figures are what he had hoped for, however, if it is to be 4 and 4, so be it, but they don't like it. He noted 42 levies had failed which represents 30,000 students. Another 25,000 students go to schools that are waiting to have their levy elections. Mr. Feaver said it can be graphically demonstrated that foundation funding at the 4 and 4 level will cause taxes to go up and local programs to be cut.

OWEN NELSON, Director of Research, Montana Education Association, presented his testimony in support of the bill (Exhibits # 1, 2, and 3).

CHIRP ERDMAN, Montana School Boards Association, thanked Representative Eudaily and said the MSBA has supported the 7 and 7 level funding all the way but now will reluctantly support the 4 and 4. He said the remainder will simply be shifted to local levies and increased taxes. Although the justification is there, the funding isn't. He urged the committee not to make any further cuts and to quickly pass the bill as the local areas are waiting to get their levy elections passed.

JESS LONG, School Administrators of Montana, said adequate funding of the foundation program is most necessary. They still support 7 and 7 but will live with 4 and 4 as it is all they can get. He noted many of the levies that failed were set at 4 and 4 or less. Programs are being cut such as special education and vocational training. School Night for Excellence feedback underscored Montanan's desire for good quality education for their children.

TERRY LYNN MINOW, Montana Federation of Teachers, said they reluctantly support the bill but don't feel 4 and 4 will avoid a significant local tax increase. School districts will be forced to make cuts in staff and educational programs. The eroding tax base amendment should be placed on HB 212. Special provisions will be made for school districts in counties whose taxable valuation has dropped by 25% or more in the last five years. In the affected school districts, the ANB will be averaged together for the previous three years. A percentage of this average will be used to determine an additional amount of school foundation money appropriated to the affected districts. Without the amendment, school districts with a declining enrollment are caught between a loss in foundation funding and a decline in value of each mill. The 4 and 4 level of HB 211 will only further hurt those districts. Anaconda and a few other very small districts are the only ones expected to be affected by the amendment. Anaconda expects to close two schools and lay off 31 teachers and 19 support staff. Although cuts in staff are to be expected with declining enrollments, cuts in program for the remaining students should not happen. The amendment will give those districts time to assess their programs and funding and come to conclusions that will be least harmful to student programs. She urged support of the eroding tax base amendment as well as the highest possible support of the foundation program.

DON WALDRON, representing the Superintendent of Hellgate Schools, Missoula, and Legislative Chairman, School Administrators of Montana, urged the committee to consider carefully the funding and disbursement of that funding to schools.

CARL McCALLUM, Superintendent of Schools, Phillipsburg, said his elementary levy increased 31% and the high school levy 9.8% this year. He noted this is the largest levy ever voted in Granite County. His taxpayers sent to this meeting with a message - "HELP!"

HELEN VOLDEN, Legislative Co-ordinator for the Montana Congress of Parents and Teachers Associations, presented her written testimony in support of the bill (Exhibit #4).

There being no further proponents and no opponents to the bill,
the hearing was opened for discussion.

DISCUSSION:

SENATOR BROWN asked Owen Nelson, MEA, to explain the equalization
funding situation and the inequities that are causing the pending
lawsuit.

OWEN NELSON, MEA, said the general fund budget is divided
into three parts: the foundation program, the permissive levy,
and the voted levy. The foundation program is equalized because
every taxpayer in the state pays the same number of mills. The
permissive levy is partially equalized, i.e. some districts
don't have to levy the full 6 mills for elementary and 4 mills
for high school, however, most do, so for the most part the
permissive is equalized. The voted portion is absolutely not
equalized because 1) the amount of money needed in the districts
varies, and 2) the number of mills needed to get that money
varies considerably because of the taxable valuation of the
property within the school district. The voted portion is
nearly 35% of the budget and is not equalized. And that is
where the problem exists.

There being no further discussion, Representative Eudaily
closed by saying over 13 states will be raising taxes to
fund education this year. Montana has not chosen to do so
at this point, but be warned the time is coming when it will
have to be done. He urged a speedy passage of the bill.

ADJOURN:

There being no further business to come before the committee,
the meeting was adjourned.



Senator Chet Bleylock, Chairman

VISITORS' REGISTER

211

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Helen J Volden	Montana PTA	HB 211	X	
Don Waldron	S.A.M.	HB 211	X	
Deecl Stump	school Dist #1 Miles City	HB 211	X	
Miki Koyne	Saco Sch. Dist #124 & B	HB 211	X	
Owen Nelson	MEA	HB 211	X	
John W. ...	M.F.T.	HB 211	X	
Doug ...	MFT	HB 211	X	
Harvey ...	Belgrade	HB 211	X	
Lain ...	Belgrade	HB 211	X	
Bill Anderson	OPI	HA 211	XX	
Jesse W. Long	S.A.M.	211	X	
Gene ...	Montana ... Dist	HR 211	X	
Chip ERDMANN	MT School Bd Assoc	HB 211	X	
Barbara Millhouse	Montana PTA	HB 211	X	
Alan Eck	Montana Farm Bureau	HR 211		X
Gilbert Richards	Glenwood Schools	HB 211	X	
T.C. MATZOCKS	CUT BANK Settlers	AD 211	X	
M. Menahan	Anacosta	HB 211	✓	
Louellen McCarthy	HEA-MEA	HB 211	✓	

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Edna Shong	MEA-BEA	211	✓	
Theresa Green	MEA-BEA	211	✓	
John Baker	MEA-BEA	211	✓	
Waney Rice Fritz	MEA - MSLO	211	✓	
Ron Higgins	MEA	211	✓	
Rita Blouke	MEA-HEA	211	✓	
Margie Gildart	MEA-BAEA	211	✓	
Terry L. Gross	M.E.A - Bigfork	211	✓	
TOM BILODEAU	MEA	211	✓	
Judy C hange	hola School ^{Teacher} - hola	211	✓	
Greg Schaffer	MEA - BEA	211	✓	
Heve Newman	MEA - HEA	211	✓	
Landra Bucher	MEA HEA Harve	211	✓	
Joyce G Michels	MEA BEA Bigfork	211	✓	
MARY SHEEHY MOE	COLUMBIA FALLS - DIST #6 Ed. Assoc.	211	✓	
Edwin Hawkins	School Dist 6 Ed Assoc. C.F.	211	✓	
Rich Thompson	Col. Falls Dist 6 EA	211	✓	
Dave Manuahan	Col. Falls Dist 6 EA	211	✓	
Lorene Rowland	MEA - BEA - Billings	211	✓	
Pam Dahlstrom	MEA - BEA - BILLINGS	211	✓	
Phyllis Russell	MEA Billings	211	✓	
Les Perkins	MEA - Deer Lodge	211	✓	
Ingeborg Howard	MEA (HEA) Miles City	211	✓	
Lee Richardson	MEA Region 7	211	✓	
John Travis	MEA - BEA	211	✓	
Maryle Caproni	MEA - BEA - Billings	211	✓	

(Please leave prepared statement with Secretary)

DATE April 12, 1985COMMITTEE ON EDUCATION & CULTURAL RESOURCES

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Gayle Knudsen	HEA - MEA	211	✓	
Sandra L. Zeiler	HEA - MEA	211	✓	
Jane Dutton	HEA - MEA	211	✓	
Jeanne Sweeten	HEA - MEA	211	✓	
Judy Everett	HEA - MEA	211	✓	
Judy Byrne	LEA - MEA	211	✓	
Jan Van Hook	HEA - MEA	211	✓	
Paul S. Roos	HEA - MEA	211	✓	
Narwin Schweitzer	TEA - MEA	211	✓	
Larry Kaher	KEA - MEA	211	✓	
Garrett Meskimen	KEA - MEA	211	✓	
Rich Owings	KEA - MEA	211	✓	
Karen Richardson	EEA - MEA	211	✓	
Joann Rebeten	EEA - MEA	211	✓	
Neara Monahan	EEA - MEA	211	✓	
Louis G. Bonini	BEA - MEA	211	✓	
Kathleen Lindeman	WEA - MEA	211	✓	
Anna Lee Lee	W.E.A. - M.E.A.	211	✓	
Patricia L. Jarvis	WEA - MEA	211	✓	
Judith A. Doyle	RPEA - MEA	211	✓	
William P. Robinson	P.E.A - MEA	211	✓	
Margaret Clark	RPEA - MEA	211	✓	
James H. Smith	RPEA - MEA	211	✓	
William J. Taylor	POLSON ED. ASSN	211	✓	
Bruce Simpson	RPEA - MEA	211	✓	
Donna R. Levin	P.E.A. - M.E.A.			

(Please leave prepared statement with Secretary)

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Ron Russell	Billings	211	✓	
Chuck Evans	Forsyth - MEA	211	✓	
Linda Simonsen	Miles City - MEA	211	✓	
Layana Siffert	Columbus - MEA	211	✓	
Paul Johnson	Forsyth - MEA	211	✓	
Lynn Allison	Great Falls, MEA	211	✓	
Cori Strom	Great Falls, MCA	211	✓	
Vi Haug	Emm MT MEA	211	✓	
Patty Myers	GFEA - Great Falls	211	✓	
Donna Hanna	HVEA Helena Valley	211	✓	
Helga Stolley	Keeler - Helena	211	✓	
Kay McKenna	Broadwater - Helena	211	✓	
Tina Veroulis	Four Georgian - Helena	211	✓	
David Sexton	MEA	211	✓	
Betsy Jensen	Billings - MEA	211	✓	
Christy Malia-Atchall	Billings - MEA	211	✓	
Sandy Bernhagen	Billings MEA	211	✓	
Tomme Cohen	Missoula - MEA	211	✓	
Marva Hallegas	Missoula - MEA	211	✓	
Don Olsen	Chinook MEA	211	✓	
Tom Horn	Belt - MEA	211	✓	
Carla Cook	Havre - MEA	211	✓	
Robin Newman	Havre - MEA	211	✓	
Dallas Keck	Havre MEA	211	✓	
Edwin J. Waller	Billings MEA	211	✓	
Jean Larson	Billings MEA	211	✓	

(Please leave prepared statement with Secretary)

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
- Aggie E. Gelland	Billings MEA	211	✓	
Helen M. Greaves	Same Deer, MEA	211	✓	
Bonnie Knowles	Same Deer, MEA	211	✓	
Narlyn Ryan	Missoula, MEA	211	✓	
Joanne Hall	Missoula Elem EA	211	✓	
- Paula Nelson	Missoula, MEA	211	✓	
Tom Facey	Missoula, MEA	211	✓	
- Des Marquis	Home, Mt.	211	✓	
Serrani Jensen	Billings MEA	211	✓	
Marlyn Aden	MEA Staff - Gladwin	211	✓	
Mike Culliton	HEA - Home	211	✓	
Garry A. McConnell	BEA - Bridger	211	✓	
Helen H. Widenhofer	BEA - Billings	211	✓	
Jana Gallagher	LEA - Livingston	211	✓	
Virginia Ed.	GEA - Gladwin	211	✓	
- Harry Buckingham	FBEA - Ft. Benton	211	✓	
Ronald O. Meredith	Baker Educ. Assoc.	211	✓	
- Mike Snyder	GEA - Gladwin	211	7/27%	

Sources of Information - attached chart

The information for 1974-75 through 1984-85 shown above the double horizontal line is factual information obtained from the Office of Public Instruction, Montana Taxpayers Association, U.S. Department of Labor, National Education Association, and the Montana Education Association.

The information for 1985-87 shown below the double horizontal line is projected information. The enrollment (ANB) figures in column 9 were projected by the Office of Public Instruction. The general fund budget amounts in column 5 were projected by the Office of Public Instruction and were concurred in by MEA as being realistic projections.

Projections for 1985-86 and 1986-87

Based on the ANB projections in column 9 and the general fund budget projections in column 5, the remaining information was calculated for four levels of budget schedule adjustments.

7% and 7% - hold the line - status quo - maintain present level of equalization

The projections show that a 7% increase in the budget schedules for each of the next two years would keep the funding burden proportionately the same as it is for 1984-85.

The foundation program (column 2), permissive (column 3), and voted levy (column 4) would increase at approximately the same rate as the total general fund budget (column 5). The increase is distributed evenly between state funding and property taxes. The percent of the general fund budget obtained from voted property taxes (column 8) would remain at 34.9% for the biennium.

4% and 4% - lose ground - shift heavier burden to property taxes - reduce level of equalization

The projections show that a 4% increase in the budget schedules for each of the next two years would decrease state support and increase the reliance on property taxes. The annual rate of increase in the state supported foundation program and permissive portions would be 4.5% to 4.9% while the voted portion would have to increase at a 13.2% rate. The percent of the general fund budget obtained from voted property taxes would increase to 38.5%.

2.4% and 3% - same as the 4% and 4% - only more so

The projections show that a 2.4% increase the first year would cause a lesser increase in state funding at 2.9% and a greater increase in the voted levy at 16.2%. This would increase the portion of voted property taxes from 34.9% to 37.7% of the total general fund amount.

A 3% increase the next year would provide a 3.9% increase in state funding and a 14.6% increase in the voted levy amount. The voted property tax amount would increase to 40% of the total general fund budget.

0% and 0% - disaster - incite a taxpayer rebellion - drastic reduction in level of equalization

Practically the entire burden would be shifted to 20.7% and 19.0% increases in the voted property taxes. The voted portion of the total general fund budget would increase to 39.1% and 43.1%. The share of equalization would be drastically reduced.

MONTANA PUBLIC SCHOOL GENERAL FUND BUDGETS
(Special Education Funding Excluded)

1 Elem. H.S.	2 General Fund Without-a-Vote Foundation Program	3 Permissive	4 Voted Levy	5 General Fund Budget Total	6		7		8 Voted Levy	9 ANB (Previous Year)	10 GFB Per ANB	11 CPI (U) (Dec.)	12 Tchr. Salaries Mont. Average	13 Nt'l Rank
					Foundation Program	% of GFB Permissive	Foundation Program	% of GFB Permissive						
1974-75	\$ 97,866,000 +14.0%	\$24,428,000 +13.9%	\$41,317,000 +19.0%	\$163,611,000 +15.2%	59.8%	14.9%	25.3%	177,028	155.4	\$ 924	155.4	\$10,230	28	
1975-76	111,548,000 +11.2%	27,826,000 +11.3%	49,153,000 +9.2%	188,527,000 +10.7%	59.2%	14.8%	26.1%	174,451	166.3	1,081	166.3	11,150	29	
1976-77	124,068,000 +5.9%	30,969,000 +5.9%	53,652,000 +13.3%	208,689,000 +7.8%	59.5%	14.8%	25.7%	171,944	174.3	1,214	174.3	12,053	27	
1977-78	131,422,000 +5.9%	32,791,000 +5.9%	60,790,000 +8.6%	225,003,000 +6.6%	58.4%	14.6%	27.0%	170,117	186.1	1,323	186.1	12,668	30	
1978-79	139,160,300 +4.8%	34,733,600 +4.8%	66,021,000 +21.8%	239,914,900 +9.5%	58.0%	14.5%	27.5%	167,664	202.9	1,431	202.9	13,651	29	
1979-80	145,821,700 +6.6%	36,390,200 +6.7%	80,387,000 +22.0%	262,598,800 +11.3%	55.5%	13.9%	30.6%	163,276	229.9	1,608	229.9	14,680	27	
1980-81	155,389,000 +15.0%	38,821,500 +14.9%	98,084,000 +4.9%	292,294,500 +11.6%	53.2%	13.3%	33.5%	158,185	12.4%	1,848	258.4	15,967	29	
1981-82	178,633,000 +13.6%	44,610,000 +13.6%	102,938,000 +4.2%	326,181,000 +10.7%	54.8%	13.7%	31.5%	154,256	281.5	2,115	281.5	17,770	28	
1982-83	202,986,000 +3.2%	50,696,000 +3.1%	107,289,000 +14.6%	360,971,000 +6.6%	56.2%	14.0%	29.7%	152,386	292.4	2,369	292.4	19,702	26	
1983-84	209,409,000 +3.5%	52,288,000 +3.6%	122,925,000 +17.9%	384,622,000 +8.1%	54.4%	13.6%	32.0%	150,711	303.5	2,552	303.5	20,690	26	
1984-85	216,791,000 +7.5%	54,174,000 +7.6%	144,987,000 +7.5%	415,952,000 +7.6%	52.1%	13.0%	34.9%	151,231	315.5*	2,751	315.5*	21,705*		

1985-86	233,157,000 +7.9%	58,289,000 +7.9%	155,914,000 +8.0%	447,360,000 +7.9%	52.1%	13.0%	34.9%	152,002	152,002	2,943	152,002	2,943	
1986-87	251,610,000 +4.5%	62,903,000 +4.6%	168,339,000 +13.2%	482,852,000 +7.6%	52.1%	13.0%	34.9%	153,222	153,222	3,151	153,222	3,151	
1985-86	226,620,000 +4.9%	56,655,000 +4.9%	164,085,000 +13.2%	447,360,000 +7.9%	50.1%	12.7%	36.7%	152,002	152,002	2,943	152,002	2,943	
1986-87	237,699,000 +2.9%	59,425,000 +3.0%	185,728,000 +16.2%	482,852,000 +7.6%	49.2%	12.3%	38.5%	153,222	153,222	3,151	153,222	3,151	
1985-86	223,134,000 +3.9%	55,783,000 +3.9%	168,443,000 +14.6%	447,360,000 +7.9%	49.9%	12.5%	37.7%	152,002	152,002	2,943	152,002	2,943	
1986-87	231,792,000 +0.5%	57,947,000 +0.6%	193,113,000 +20.7%	482,852,000 +7.6%	48.0%	12.0%	40.0%	153,222	153,222	3,151	153,222	3,151	
1985-86	217,904,000 +0.9%	54,476,000 +0.9%	174,980,000 +19.0%	447,360,000 +7.9%	48.7%	12.2%	39.1%	152,002	152,002	2,943	152,002	2,943	
1986-87	219,766,000 0.0%	54,941,000 0.0%	208,145,000	482,852,000	45.5%	11.4%	43.1%	153,222	153,222	3,151	153,222	3,151	

*Estimated
PROJECTED

ED. & CULT.
RES. COM.
APRIL 12
1985
HB 311

Montana ranks 11th in per-pupil support

IRE
4/10/85

WASHINGTON (AP) — The National Education Association Tuesday released a study showing Montana ranks 11th in the nation for the amount it spends to educate each child, but is slightly below average in teacher salaries.

The study also found that, nationwide, public schools enroll almost 6 million fewer students today than a decade ago, but employ almost the same number of teachers and school administrators.

The NEA noted that there are 2.1 million classroom teachers earning an average of \$23,546.

The study said the enrollment drop allowed schools to lower their student-teacher ratios and to hire additional teachers for handicapped students and other special needs.

The NEA's research department, in a report based on an annual survey of state education agencies, also reported the schools are spending an average of \$3,429 to educate each public school student.

That is 7.8 percent more than the \$3,182 it cost last year. The per pupil costs ranged from a high of \$6,867 in Alaska to a low of \$2,182 in Utah.

Montana just missed the top ten with an average of \$3,968 per pupil, well above average and above all its neighboring states except Wyoming.

Average teacher salaries ranged from a high of \$39,751 in Alaska — a state with a high cost-of-living — to a low of \$15,971 in Mississippi, where thousands of teachers recently staged wildcat strikes to protest their pay. Montana finished 27th with a salary average of \$21,705.

C-15. PERCENT INCREASE IN AVERAGE SALARIES OF PUBLIC SCHOOL TEACHERS, 1973-74 TO 1983-84

1. WYOMING	160.06
2. KENTUCKY	138.28
3. ALASKA	133.38
4. OREGON	130.01
5. COLORADO	129.75
6. NEW MEXICO	128.73
7. NORTH DAKOTA	127.35
8. TEXAS	126.14
9. OKLAHOMA	125.64
10. KANSAS	120.33
11. MINNESOTA	120.30
12. MONTANA	119.45
13. WASHINGTON	119.39
14. HAWAII	119.16
15. UTAH	118.87
16. IDAHO	117.74
17. DIST. OF COL.	117.22
18. ARKANSAS	116.48
19. RHODE ISLAND	116.02
20. MICHIGAN	114.38
21. ARIZONA	111.83
22. OHIO	110.77
23. WISCONSIN	110.63
24. WEST VIRGINIA	110.38
25. PENNSYLVANIA	108.77
26. LOUISIANA	108.38
27. MISSISSIPPI	107.93
28. MASSACHUSETTS	106.69
29. INDIANA	105.75
30. MARYLAND	105.22
31. CONNECTICUT	104.99
32. NEBRASKA	104.90
33. NEW YORK	104.54
UNITED STATES	104.39
34. IOWA	104.38
35. SOUTH DAKOTA	103.23
36. MISSOURI	102.60
37. TENNESSEE	102.47
38. SOUTH CAROLINA	101.54
39. CALIFORNIA	101.46
40. VERMONT	100.64
41. VIRGINIA	100.29
42. GEORGIA	98.94
43. FLORIDA	95.18
44. ALABAMA	95.08
45. ILLINOIS	94.80
46. NEW JERSEY	93.70
47. NEVADA	93.16
48. MAINE	87.57
49. DELAWARE	85.21
50. NEW HAMPSHIRE	80.79
51. NORTH CAROLINA	79.99

Computed from NEA Research, *Estimates* data bank.

<u>State</u>	<u>Avg. Salary All Teachers 1983-84</u>	<u>Estimated Avg. Salary All Teachers 1984-85</u>	<u>Gain in Dollars</u>	<u>Gain in Percent</u>
1983-84				
Alabama	17,682	20,209	2,527	14.2
Alaska	37,807	39,751	1,944	5.1
Arizona	21,642	23,380	1,338	7.6
Arkansas	16,929	18,933	2,004	11.8
California	24,843	26,300	1,457	5.8
Colorado	23,276	24,456	1,180	5.1
Connecticut	22,267	24,520	1,893	8.4
Delaware	20,934	23,300	2,364	11.3
Dist. of Columbia	27,659	28,621	962	3.5
Florida	19,497	21,057	1,560	8.0
Georgia	18,631	20,494	1,863	10.0
Hawaii	24,357	24,628	271	1.1
Idaho	17,985	19,700	1,715	9.5
Illinois	24,191	25,829	1,638	6.8
Indiana	21,538	23,089	1,451	7.2
Iowa	20,149	20,934	785	3.9
Kansas	19,368	21,208	1,840	9.5
Kentucky	19,660	20,100	440	2.2
Louisiana	18,400	19,690	1,290	7.0
Maine	17,328	18,329	1,001	5.8
Maryland	24,095	25,861	1,766	7.3
Massachusetts	22,964	24,110	1,146	5.0
Michigan	27,049	28,401	1,052	5.0
Minnesota	24,350	25,920	1,570	6.4
Mississippi	15,812	15,971	159	1.0
Missouri	19,310	20,452	1,142	5.9
Montana	20,690	21,705	1,115	4.9
Nebraska	18,785	20,153	1,368	7.3
Nevada	22,360	22,520	160	.7
New Hampshire	17,376	18,577	1,201	6.9
New Jersey	23,264	25,125	1,861	8.0

<u>State</u>	<u>Avg. Salary All Teachers 1983-84</u>	<u>Estimated Avg. Salary All Teachers 1984-85</u>	<u>Gain in Dollars</u>	<u>Gain in Percent</u>
1983-84				
New Mexico	20,571	22,064	1,493	7.3
New York	27,319	29,000	1,689	6.2
North Carolina	18,311	20,691	2,380	13.0
North Dakota	19,260	19,900	680	3.3
Ohio	21,290	22,737	1,447	6.8
Oklahoma	18,580	18,930	450	1.9
Oregon	23,155	24,889	1,734	7.5
Pennsylvania	22,703	24,435	1,732	7.6
Rhode Island	25,337	27,384	2,047	8.1
South Carolina	17,384	19,800	2,416	18.9
South Dakota	16,480	17,356	896	5.3
Tennessee	17,910	20,080	2,170	16.1
Texas	20,170	22,600	2,430	12.0
U.S. and D.C.	21,935	23,546	1,611	7.3
Utah	20,007	21,307	1,300	6.5
Vermont	17,606	19,014	1,408	8.0
Virginia	19,676	21,536	1,860	9.5
Washington	24,365	25,610	1,245	5.1
West Virginia	17,489	19,563	2,074	11.9
Wisconsin	22,811	24,780	1,969	8.6
<u>Wyoming</u>	<u>25,197</u>	<u>26,709</u>	<u>1,692</u>	<u>6.0</u>
U. S.				7.3

STATE AND LOCAL REPORT

ED. V. GALLI
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STATE ISSUES FORUM

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STATE ISSUES FORUM: WHO WE ARE

The State Issues Forum is a national organization of civic, public interest and labor organizations seeking to assist state governments in meeting their widening responsibilities.

The Forum believes that state governments are playing an increasingly important and expanding role in public decision making, and want to assure that all relevant points of view are heard in the forums of state governments.

The State Issues Forum has a close working relationship with the National Conference of State Legislatures.

The members of the State Issues Forum Sponsors are: American Nurses Association, American Public Health Association, Common Cause, Conference on Alternative State and Local Policies, Corporation for Enterprise Development, National Education Association, People for the American Way, Planned Parenthood, and United Auto Workers.

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SPECIAL REPORT

States Treated Schools Well In '84 Budgets

With the recession of the early 1980's behind them, many states this year comfortably increased elementary and secondary education aid. Where money remained tight, governors crusaded for tax hikes to buoy school budgets.

The biggest spending increases for this school year came in Arkansas, South Carolina, Tennessee and Texas, where lawmakers raised taxes for education improvements. The smallest gains occurred in states that haven't yet rebounded from the economic recession, and in states that set biennial budgets last year.

Schools made healthy spending gains in California, Michigan and Ohio--states that in 1983 dug their schools out of deep funding slumps.

Massachusetts, Maryland, New York, Virginia, Alabama, Kansas, Rhode Island, Florida, Idaho and Connecticut also boosted school aid by at least 10 percent over last year.

"Schools got good increases, but it was a strong year for [state] spending in general," said Steven Gold, a senior fellow at the National Conference of State Legislatures. On the average, education spending in the states this year increased at about the same rate as other spending, according to Gold, who is now analyzing data from a nationwide survey of 1984 state budget actions.

Exceptional Steps Several states, however, took exceptional steps to enrich their education coffers.

Arkansas Gov. Bill Clinton late in 1983 won a one-cent sales tax hike to raise this year's state appropriation for elementary and secondary education to \$663 million, nearly 21 percent above last year's \$550 million.

After being blocked in 1983 by his state's teachers union, Tennessee Gov. Lamar Alexander this March convinced legislators to erect the nation's most comprehensive teacher career ladder, which links salaries and bonuses to job performance.

As in Arkansas, Tennessee legislators approved a one-cent sales tax increase, catapulting this year's elementary and secondary school appropriation to \$974 million, 22 percent more than in 1983-84.

South Carolina Gov. Dick Riley in June emerged victorious in a two-year battle with his legislature for school improvements funded with a one-cent sales tax hike. South Carolina this year will spend \$1.07 billion on its schools, or 32 percent more than the \$807 million it laid out in 1983-84.

Texas Gov. Mark White this year called a long-promised special session on school reform, and his legislature responded by raising sales, gasoline and other taxes for \$2.7 billion in education improvements over the next three years. Texas this year will spend \$4.65 billion on elementary schools for a 24 percent increase over last year's \$3.75 billion.

California schools this year got a 12 percent state spending increase to continue on a massive school reform plan enacted in the 1983 legislative session. They'll receive \$9.2 billion in 1984-85.

Michigan's state school aid budget this year is set at \$1.63 billion, 12 percent more than in 1983-84, with extra aid for districts that offer at least 300 minutes of instruction a day and a state-prescribed range of courses. Massachusetts made a 13 percent gain, raising aid this school year to \$1.26 billion.

Ten Percent More Spending gains ranging from 10 percent to 11 percent were made in Florida, where a \$2.76 billion school aid budget was set; Rhode Island, with a \$231 million appropriation for schools; New York, where a record funding boost brought school aid to \$5.35 billion; New Jersey, where school aid will total \$2.37 billion; and in Connecticut, with \$684 million for schools.

More modest but solid strides were made in Pennsylvania, where this year's \$3 billion school aid appropriation is 7 percent above last year's, and in Illinois, which boosted its education budget 5 percent to \$2.26 billion.

The Pennsylvania legislature rejected Gov. Dick Thornburgh's proposal to establish a \$10 million awards program for outstanding teachers, and Illinois lawmakers let die a year-old \$637,000 program of grants for the best teachers.

Maine schools, which got close to an 8 percent increase in state funding this year at \$257 million, stand to win up to \$50 million more this week in a special legislative session on education.

Regionally, the biggest education spending gains this year came in the South. Mark Musick, state services officer for the Southern Regional Education Board, said southern states have boosted budgets to raise relatively low teacher salaries. And, Musick noted, the pay hikes "are not a one-shot deal" but often are part of several-year plans to raise salaries to national averages.

Virginia, for example, this year set its 1984-86 biennial budget with back-to-back, 10 percent teacher pay raises for each year of the biennium. State aid for Virginia elementary and secondary schools this year will rise to \$1.33 billion, or 13 percent more than last year.

South Carolina teacher salaries this year will jump to an average \$20,000, up from \$16,000 last year. Texas's reform package boosts beginning teacher salaries from a minimum of \$11,110 to \$15,200 and the top of the scale from \$20,000 to \$26,600.

In addition to setting up a \$50 million career ladder, Tennessee this year will grant teachers a 10 percent across-the-board pay hike at a cost of \$69 million.

The Georgia legislature this year set a \$1.6 billion school budget with a 10 percent teacher pay hike. Alabama lawmakers approved a \$932 million education appropriation, representing a 21 percent increase over last year's and carrying a 15 percent salary increase for teachers.

Alabama expects a big surplus at the end of its current fiscal year Sept. 30, and legislators in 1985 are almost certain to order up a second round of pay hikes, said Richard McBride, legislative services director for the state education department. A strong revenue situation makes budget setting easy, because "it's always easy when you've got money to give folks."

A \$600 million surplus allowed North Carolina legislators this year to enact a \$255 million package of school reforms, raising the state education budget to \$1.89 billion for 1984-85, or about 16 percent above last year. An \$86 million state lottery surplus was divvied up among schools in Ohio, where the legislature in biennial budget-setting in 1983 put the 1984-85 school budget at \$2.46 billion, or 7 percent above last year's.

Not a Sure Thing "A favorable fiscal environment makes it more likely education will get a big appropriation, but it doesn't guarantee it," said Gold, citing as an example Minnesota, where a large surplus exists. According to state education department officials, this year's appropriation will hold steady at last year's \$1.06 billion level, with an additional \$355 million in state-paid property tax credits turned back to local districts.

Minnesota, North Dakota, Wyoming, New Hampshire and Nevada, which set biennial budgets in 1983, tended to have smaller increases in school spending this year than did other states, according to Gold.

And not all states have joined in the general economic recovery of the past 22 months.

With an economy strongly tied to flagging energy prices, Oklahoma lawmakers this year approved a temporary sales tax hike to restore funds that were cut from last year's education budget; this year's school aid appropriation totals \$695 million, only about 1 percent over last year.

Temporary revenue measures allowed Kansas to raise its 1984-85 school budget to \$674 million, 10 percent higher than last year's. But when the measures expire next year, "There are going to be some pressures here monetarily," said Gary Stotts, chief analyst in the state budget division.

The New Mexico legislature, which this year turned down Gov. Toney Anaya's bid to raise sales taxes for \$177 million in school reforms, granted an 8 percent spending increase for an education appropriation of \$610 million. The state is now going into debt and will have to raise taxes or cut services, said Luciano Baca, state education office director.

In Idaho, which is still facing revenue shortfalls after prolonged bouts with the national recession, lawmakers this year made permanent a sales tax hike to help increase school aid by 15 percent. This year's budget is \$289 million, reflecting a first-time incorporation of social security costs in the total.

A different kind of fiscal uncertainty stalks Oregon, where a November ballot issue would limit local property tax collections and gouge millions of dollars from the revenue source Oregon schools are most dependent on. This year the state is paying only 31 percent of the school bill, with a \$448 million appropriation that is about 4 percent higher than last year's.

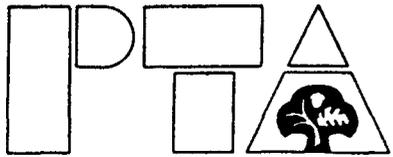
In addition to boosting budget totals, several states this year scrutinized the way they hand out school money. Maryland adopted a \$616 million five-year plan to equalize spending among districts, pumping up this year's school aid budget to \$951 million, or 17 percent above 1983-84.

Texas also enacted a new school finance system, throwing out one that based state aid on each district's number of teachers in favor of a formula that takes into account the varying costs of educating different kinds of students.

In Delaware, where this year's \$266 million school aid budget is 7 percent above last year's, a new school aid system will more accurately measure district wealth and tax efforts. Minnesota lawmakers last year approved a new finance system, and schools this year embarked on the plan.

Maine this week is expected to revise its school aid system, and Illinois lawmakers next year will face a proposal to massively revamp theirs.

EXHIBIT 117
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RES. COM.
APRIL 12, 1985
HB 211



MONTANA CONGRESS OF PARENTS AND TEACHERS

April 12, 1985

TESTIMONY on HB 211

Senate Education and Cultural Resources Committee

Chairman Blaylock and Members of the Committee:

I am Helen J Volden, Legislative Co-ordinator for the Montana Congress of Parents and Teachers Association. Perhaps more commonly referred to as the Montana PTA. I am representing 7,700 plus members across Montana.

We urge your support for at least a 4% increase each yr of the bi-ennium for the Foundation Program.

It is unfortunate that school districts had to set their budgets for the next fiscal yr without the necessary financial information on state aid to our public schools. The result being several local voted levies across Montana failed due to the projected smaller amount in state aid.

We share your concern that Montana's economy is said to be lagging behind its neighbors -- and that if school expenditures were increased according to the state's education groups recommendations, the state budget could not be balanced.

However, anything less than a 4% increase will mean an even greater reliance on local voted levies in the future in order to maintain required school programs.

Thank you for your attention.

Helen J Volden
Montana PTA Legislative Co-ordinator