

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
59th LEGISLATURE - REGULAR SESSION**

SELECT COMMITTEE ON EDUCATION FUNDING

Call to Order: By **CHAIRMAN MONICA LINDEEN**, on January 13, 2005
at 3:10 P.M., in Room 137 Capitol.

ROLL CALL

Members Present:

Rep. Monica Lindeen, Chairman (D)
Rep. Bill E. Glaser, Vice Chairman (R)
Rep. Norma Bixby (D)
Rep. Tim Dowell (D)
Rep. Dave Gallik (D)
Rep. Verdell Jackson (R)
Rep. Bob Lake (R)
Rep. Holly Raser (D)
Rep. Jon Sonju (R)
Rep. Pat Wagman (R)

Members Excused: None.

Members Absent: None.

Staff Present: Connie Erickson, Legislative Branch
Kim Leighton, Committee Secretary
Eddy McClure, Legislative Branch
Jim Standaert, Legislative Branch

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

Committee Business Summary:

Hearing & Date Posted:
Executive Action:

DISCUSSION:

CHAIRMAN MONICA LINDEEN brought the meeting to order and began by taking care of general housekeeping.

REP. TIM DOWELL spoke on the topic of Indian education in relation to funding. He stated that it is probably at the core of this committee's purpose. He also said that it is of great interest to integrate this. However, the materials to do so are very scarce.

REP. NORMA BIXBY followed up by stating it is true that it is very important, unfortunately we just don't have the funding right now. It is critical that we work on a funding program to implement this.

REP. BOB LAKE asked if there are any schools right now in Montana that do in fact have Native American study programs, that the committee could utilize.

Eddy McClure alleged that she believed Great Falls did, and possibly Ronan.

REP. LAKE recommended that the committee call on these resources to help devise a plan for funding of this program.

REP. DAVE GALLIK agreed that it was a good idea to make use of these resources and added that the committee should begin there to formulate a plan.

REP. WILLIAM GLASER interjected at this point with some concerns. He stated that Indian culture is not a minor thing, but also not a major thing. He maintained that the committee needs to focus on education as a whole, not merely Indian culture.

REP. LINDEEN verbalized that they had time for a couple quick comments, then it was time to move on.

REP. GALLIK advised that indeed the committee does need to keep it's eye on the big picture. However, the committee also needs to remember Indian education.

REP. BIXBY articulated that she does not believe that Indian education is simply a small piece of the puzzle. Indian education is in fact part of the whole picture, and the committee needs to keep this in mind.

REP. LINDEEN reiterated that Indian education was highlighted in the Supreme Court order for a reason, and they cannot ignore it. She also recommended that they talk to Kirk Miller when he comes on Friday, January 14 to talk about accreditation standards.

REP. LINDEEN introduced **Jim Standaert, Legislative Fiscal Division** at this point.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 16.9}

Mr. Standaert began his report on an analysis of education in terms of fiscal data. There were several questions being asked in correlation to this report. There was confusion as to how much money this would involve, how many studies are available, and a time frame for beginning this.

Mr. Standaert provided a document to support his report.
[EXHIBIT \(esh09a01\)](#)

Mr. Standaert spoke of Columbia Falls et al. v. Montana, and what the Montana Legislature might need to do as a result of this. He then supplied some background information on the plaintiff's arguments. Following this he talked about Judge Sherlock's findings. He spoke of finding 160 and finding 195. He then spoke of Judge Sherlock's conclusions. His conclusions consisted of the need to re-evaluate the funding system, and integrate Indian studies as well.

Mr. Standaert articulated on the state appeal in June 2004. This stated that there was more evidence that should be considered, and also the adequacy claims should be left to the legislature, not the courts. It did find that Judge Sherlock's equity finding was correct.

Mr. Standaert discussed the plaintiff's answer that the constitution guarantees quality education and it's funding is related to costs. Further, their cross appeal was that the date of implementation of a solution should be moved from October 1, 2005 to May 1, 2005, in time for FY06.

In addition to this, **Mr. Standaert** explained how other states dealt with adequacy lawsuits. He informed the committee that there are such factors as varying student performance and varying school costs.

REP. LAKE inquired as to whether or not a performance oriented study was done by Augenblick & Meyers.

Mr. Standaert replied that he was not sure. He further discussed the possibility that some schools spend more because they want better results, or they have more at risk students or those with special needs.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 15.3}

Mr. Standaert then apprized the committee of the Augenblick & Meyers Study that was performed in Montana. He also referred to a couple of documents he provided.

[EXHIBIT \(esh09a02\)](#)

[EXHIBIT \(esh09a03\)](#)

REP. GALLIK asked **Mr. Standaert** a question about the cost data in reference to the results of the Augenblick & Meyer's Study.

Mr. Standaert replied to **REP. GALLIK** by saying no, and offering a response.

REP. JACKSON stated that he met with Augenblick & Meyers here in Helena. They spoke a little bit about the study. However, he still has questions on the details of those at risk, and the cost of that.

Mr. Standaert replied by saying that he did not have that information right now, but he would be happy to look it up at a later time.

Mr. Standaert indicated that there were some problems with the Augenblick Study. One of them was how to apply prototypes to real districts. Many of the numbers on the study were not equal to those that actually existed. There is no funding formula as well. Another study done in Montana was called the Whitney-Nichols Study. This was done in 1988.

REP. HOLLY RASER implored how the data on the teachers was collected. Whether it was on an average basis, or done by district.

Mr. Standaert replied that the study was somewhat "cook-bookish." There was a question as to whether we had 1300 too many teachers, or if the quality of education in Montana requires an additional 1300 teachers.

Continuing on, **Mr. Standaert** commented on some issues at hand. One such issue was in regard to Judge Sherlock's decision. The issue questioned whether the whole system was underfunded or was it just Montana's share. Also, who can change the accreditation standards? Furthermore, **Mr. Standaert** brought up the topic of time constraints. These studies can take up to six months to administer. Is there enough time before October 1, 2005?

Mr. Standaert concluded by claiming that funding studies are complex, and expensive. If these studies are done, policy decisions must be made.

REP. GALLIK then asked if a reconfiguration of revenues meant an increase in taxes.

Mr. Standaert stated that he did not believe that was the case.

REP. GALLIK responded by saying that he thought the presentation was very informative. He also stated that it is important to decide what model the committee should use, and then inquired if they could obtain data from reports depending on what model they use.

Mr. Standaert believes that this is a good idea and would like to see some conjunction with the Office of Public Instruction (OPI). By doing this, they could correlate what information they do or do not have.

REP. GALLIK followed up by stating that it is a very good idea to work with OPI. However, he would also like to take it one step further, and include all individuals involved.

Mr. Standaert agreed that this does make sense. Even so, he pointed out that the committee would probably not be able to get all the information it desires.

REP. GALLIK reacted by stating how fortunate it would be if they did have that date. They would then be one step ahead.

REP. LINDEEN then asked if there were any further questions. She thanked **Mr. Standaert** for speaking. She then turned the floor over to **Chris Lohse, Legislative Service Division**.

Mr. Standaert pointed out that there is a website on the bottom of Exhibit 2 if anyone is interested. He also had a summary of his report.

[EXHIBIT \(esh09a04\)](#)

Eddy McClure pointed out that the Amicus Brief was handed out today per **REP. BIXBY**.

[EXHIBIT \(esh09a05\)](#)

{Tape: 2; Side: A; Approx. Time Counter: 0 - 10.2}

REP. LINDEEN called a five minute recess.

{Tape: 2; Side: A; Approx. Time Counter: 10.2 - 11.5}

Mr. Lohse thanked the committee for allowing him to speak. He began his presentation on federal funding for education. He put forward statistics for federal funding for the 2003-2004 school year. He then spoke of the Northwest Ordinances of 1787, Morrill Acts of 1861 and 1890, the National Defense Education Act in 1958. He also pointed out the Elementary and Secondary Education Act (ESEA) 1965, and No Child Left Behind(NCLB). **Mr. Lohse** then touched on the problem of educational programs and the funding for these. Some of these programs are: Head Start, School Lunch Program, and Individuals with Disabilities Education Act (IDEA). He then handed out a document providing information on federal funding and educational programs.

[EXHIBIT \(esh09a06\)](#)

At this point, **Mr. Lohse** stated that all federal money is purely supplemental. The state doesn't necessarily have to comply with these requirements. However, in that instance the state does not receive any federal money.

{Tape: 2; Side: A; Approx. Time Counter: 11.5 - 24.3}

Mr. Lohse expanded on the issue of the NCLB. He explained the five aspects of NCLB, which are: standards, assessments, accountability, personnel quality, and scientific rigor. He then went into more detail on these issues, as well as distributing a document to accompany this.

[EXHIBIT \(esh09a07\)](#)

{Tape: 2; Side: B; Approx. Time Counter: 0 - 30}

(tape malfunction)

Mr. Standaert commented that they were not necessarily looking at specific subgroups for this, but rather testing by grade.

REP. RASER noted that it was in fact two different tests that took place.

Mr. Lohse then spoke about accountability, and issues involved with that.

Mr. Standaert had a question as to the consequences of a school not meeting these standards. He asked if it was indeed the third offense in which a school loses federal funding.

Mr. Lohse stated that that is correct. He then spoke of IDEA and the requirements for Individualized Education Plan (IEP). He next illuminated the committee on the bigger picture. This includes inequality being persistent and increasing. He stated that the disparity of economic outcomes correlates highly with educational outcomes. Also, the changing economy places higher premiums on education credentials.

Next, **Mr. Lohse** introduced the challenges associated with this. Some such challenges are: high standards, retention and promotion of students, increasing access, and controlling costs.

Mr. Lohse summed up his presentation by saying he had the easy part which is analyzing. However, the committee has the difficult part of solving the problem. He then wished the committee good luck.

REP. JACKSON asked for some clarification on the article of standards.

Mr. Lohse asserted that the article is asking to what extent what a teacher does on a day-to-day basis is defined.

REP. RASER expressed some concern about how teachers may find it difficult, when trying to define who has control over the curriculum, and how much control they have.

Mr. Lohse claimed that it is highly prescriptive.

REP. GALLIK questioned how much money goes into NCLB.

Mr. Lohse inferred that he did not know the compliance costs. However he believes they are fairly high on that scale.

REP. GALLIK asked if they know how much they get.

Mr. Lohse contended that he did not include it in this report, but that he would find out.

REP. RASER inquired about failure rates. She asked if the size of the school allows for any margin of error in computing these.

Mr. Lohse stated that he was not sure.

Mr. Standaert petitioned to find out when the next Adequate Yearly Progress (AYP) goals were coming out.

Mr. Lohse alleged that he believed it is next week. He closed the discussion at this point.

REP. LINDEEN thanked both **Chris Lohse**, and **Jim Standaert** for their time. She finished with a few announcements.

ADJOURNMENT

Adjournment: 5:25 P.M.

REP. MONICA LINDEEN, Chairman

KIM LEIGHTON, Secretary

ML/KL

Additional Exhibits:

EXHIBIT ([esh09aad0.PDF](#))