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MONTANA
QUALITY EDUCATION
COALITION

SENATE LOCAL GOVERNMENT

EXHIBIT NO. 8

DATE 1-12-07

BILL NO. SB 152

**TESTIMONY ON SB 152 – Sen. Don Ryan
Senate Education and Cultural Resources
January 12, 2007**

Chairman Ryan and members of the committee:

For the record, I am Pete Carparelli, Executive Director of the Montana Quality Education Coalition.

I appear on behalf of MQEC and as a proponent of SB 152 sponsored by Senator Ryan.

In previous testimony I have shared with you the goals of MQEC and its approach to proposed legislation related to the funding of Montana's public elementary and secondary schools. Although I will not present such a preamble again today, I will submit it as part of my written testimony.

As you know, the goal of the Montana Quality Education Coalition is adequate stable on-going funding for quality public K–12 education as defined in 20-9-309 MCA passed by the Montana Legislature in 2005 and as assured by the Montana Constitution. MQEC will evaluate legislation proposed during the 2007 Legislature, and will support such legislation that adequately addresses one or more of the requirements of 20-9-309 MCA and meets the state's constitutional obligation to adequately fund our public K–12 school system. It will also provide information to assist the Legislative and Executive branches in its considerations of proposed legislation dealing with Montana's public elementary and secondary schools.

MQEC honors the Court's recognition of the legislature's right to phase in any remedy over time, and MQEC will support legislation as part of a phase-in remedy that explicitly prescribes a cost-based approach and leads to a defined funding goal over a specified period of time.

MQEC will oppose legislation that is not consistent with 20-9-309 MCA and the Court's decision.

Today, MQEC supports passage of SB 152, "An Act Generally Revising Laws Related to Education;" because it has determined that the bill addresses one or more of the tests applied by MQEC to the matter of adequate funding and/or quality education. I will confine my remarks and support to Sections 1 – 6, sections 7 and 8, section 9, section 13, sections 14 – 17, and section 19.

MQEC supports SB 152 as one step in a possible phase in of several steps toward the achievement of adequate funding of free quality public elementary and secondary schools. While MQEC supports sections of SB 152, it retains concern for certain tests of adequacy which remain unmet within this bill and in other statute and/or bills which are related to the content of SB 152. MQEC also urges further scrutiny and or amendments to portions of the bill.

Regarding Sections 1 – 6 dealing with the establishment of a loan forgiveness program: We welcome the proposal as a creative and valid way to assist schools in their efforts to attract newly graduated and early career educators to teach in Montana and specifically to teach in areas of subject matter shortage or in geographic areas of the state that are impacted by critical shortages of quality educators. While I can offer no documentation of the effectiveness of such a program, I have personal experience and an intuitive sense that it might be especially helpful to schools in our more rural and isolated communities. I also believe that the level of loan forgiveness proposed in this bill may be enough to partially offset the signing bonuses offered by out-of-state school districts recruiting Montana's very able Education graduates. This could, indeed, help schools

throughout the State. I take pains, however, to make the point that MQEC sees the loan forgiveness program as recognition of the serious and very real challenge faced by our schools, that of the necessity of school districts to attract teachers, especially of recently graduated and early career teachers, but MQEC does not accept this program as a step toward adequate state funding of schools for the true cost of attracting and retaining quality educators.

Regarding Sections 7 and 8 dealing with providing a source of funding for school facilities improvements: MQEC applauds and supports the proactive establishment of a funding source for school facilities improvements. It sees this proposal as one good faith step in a phased-in remedy of the facilities obligations established as a constitutional and statutory obligation of the State. Until the facilities assessment process is completed and the actual school facilities needs across the State are determined, MQEC cannot judge the adequacy of the proposed school facility improvement account, and cannot accept it as a complete remedy at this time.

Regarding Section 9 dealing with the amendments to 20-1-301, MCA – the school fiscal year: MQEC supports this provision because it puts into statute foundational language necessary to provide full ANB funding for full-time kindergarten, a quality enhancement to which we have previously testified before this committee.

Regarding Section 13 dealing with the amendment to 20-7-117, MCA: Once again, MQEC supports this provision because it puts into statute foundational language necessary to provide full ANB funding for full-time kindergarten, a quality enhancement to which we have previously testified before this committee.

Regarding Section 14 dealing with amendments to 20-9-306 – basic entitlement and total per ANB entitlement: MQEC applauds and supports the efforts within Section 14 to provide inflationary increases in the basic entitlements and in the ANB entitlements. It recognizes this proposal as an attempt to address the obligations established as a statutory obligation of the State under 20-9-309, (4) (b) (iii), prescribing that funding will be “self-

executing and include(s) a mechanism for annual inflationary adjustments.” But, the proposal falls short of meeting the provisions of that statute. We strongly urge amendment of this proposal in that (1) the inflationary factor used to calculate the increases does not reflect appropriate contemporaneous inflationary figures, and (2) the increase is limited to the biennium, and does not provide the self-executing mechanism prescribed in 20-90309 MCA. MQEC recommends adjustment of the increases by a specified measure such as the most contemporaneous calculation of the CPI-U according to the U.S. Bureau of Labor Statistics, and the insertion of language that refers to “biennial inflationary adjustments hereafter utilizing the most contemporaneous calculation of the CPI-U.”

Regarding Section 15 dealing with the amendment to 20-9-308- BASE budgets and maximum general fund budgets: MQEC supports this amendment only as far as it puts into statute foundational language necessary to provide full ANB funding for full-time kindergarten. The proposed amendment does NOT recognize the cost of the implementation of full-time kindergarten as a factor in determining an appropriate general fund budget. MQEC believes that the proposed amended language in 20-9-308 (3) (b) fails to address the cost of this educational program in its prescription for the calculation of the district’s adopted general fund budget. In addition, MQEC expresses concern that the language in this section may hamper the implementation of full-time kindergarten by districts that are now at maximum budget.

Regarding Sections 16 and 17 dealing with the amendment to 20-9-311 and 20-9-313 – calculation of average number belonging (ANB): MQEC supports this provision as it puts into statute foundational language necessary to provide full ANB funding for full-time kindergarten.

Regarding Section 19 dealing with amendment to 20-9-327 – Quality educator payment: MQEC applauds and supports the efforts within Section 19 to provide an increase in the quality educator payment. It recognizes this proposal as an attempt to address the obligations of the State as established by statute under 20-9-309, (2) (d)

prescribing “qualified and effective” educators and (3) (f), recognizing the educationally relevant factor of “the ability of school districts to attract and retain qualified educators.” MQEC maintains that the increase of \$790 does not reflect what is required to address either of the above-mentioned sections of statute. MQEC suggests that the cost-based amount to do so is higher, but MQEC is not able to provide a specific number at this time.

The amendment to the quality educator payment also falls short of the statutory requirement to provide a self-executing system with a mechanism for annual inflationary adjustments. We strongly urge amendment of this proposal to add such an inflationary adjustment to the quality educator payment and that the amendment contains language that refers to “biennial inflationary adjustments hereafter utilizing the most contemporaneous calculation of the CPI-U.”

Chairman Ryan and members of the committee, MQEC suggests to you that although SB 152 does not in and of itself comprise adequate funding of free quality public K-12 schools, with cost corrections addressed elsewhere, and with appropriate amendments, SB 152 can be one step forward to that goal. Correctly amended, it can be one important part of a phased in on-going, stable and adequate school funding system.

Thank you for the opportunity to address you this afternoon. Thank you, Senator Ryan and Governor Schweitzer for bringing SB 152 to the Legislature.