

SENATE EDUCATION

EXHIBIT NO. 5

DATE 1/30/13

BILL NO. SB/75

**Presentation to the Montana Senate
Education and Cultural Resources Committee**

January 30, 2013

**By: Jerry Hansen
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Honorable Chairman and members of Education and Cultural Resources Committee.

Let me remind you that the Montana Constitution guarantees equality of educational opportunity to each person of the state and the legislature must distribute funds in an equitable manner to school districts. The definition of "equitable" is "fair and reasonable". I am opposed to the increasing of the Basic Entitlement for larger school districts because all it accomplishes is an increase in the amount allocated to large school districts at the expense of small school districts. Our small rural schools are the backbone of Montana's education system and do a great job educating students. They also stimulate the local economy and provide a sense of pride for small towns. Every effort should be made by the legislature to keep these schools operating.

The current allocation of state funds to school districts using the Average Number Belonging (ANB) ignores accreditation standards. Here is an example of how the current allocation using ANB is unfair and unreasonable to small school districts. In this chart the small school district has six students per grade while the large school districts class size is the maximum class size provide by accreditation standards.

SOURCE: ANB FUNDING -- SB 175

	2013 FUNDING BY CLASSROOM					
	ELEMENTARY			JR HIGH	MIDDLE	HIGH
PER ANB - (2013 RATE)	5,120			5,120	6,555	6,555
	1ST & 2ND	3RD & 4TH	5TH & 6TH	7TH & 8TH	7TH & 8TH	9TH - 12TH
SMALL SCHOOL						
ANB FUNDING	5,120	5,120	5,120	5,120		6,555
ENROLLMENT (COMBINED)	12	12	12	6		6
ANB FUNDING	<u>61,440</u>	<u>61,440</u>	<u>61,440</u>	<u>30,720</u>		<u>39,330</u>
LARGE SCHOOL						
ANB FUNDING	4,920	4,920	4,920		5,129 *	6,155
LARGE SCHOOL	20	28	30		30	30
ANB FUNDING	<u>98,400</u>	<u>137,760</u>	<u>147,600</u>		<u>153,875</u>	<u>184,650</u>
LARGE SCHOOL ADVANTAGE	<u>36,960</u>	<u>76,320</u>	<u>86,160</u>		<u>123,155</u>	<u>145,320</u>

* Middle school has a six period day, teachers can only teach five classes per day, $(6555-400)/6*5$

You should consider reducing the ANB portion of state funding by 80% to 90% and then allocate that reduction using the number of classrooms required to meet accreditation

standards. In that way you would be meeting your constitutional responsibility by providing equality of educational opportunity to all students in Montana.

Once state funds are distributed to school districts the state transfer's' control of spending these funds to local school districts. At the very least the state should review how these funds are spent. For example, the problem in the Billings School Districts is not that they do not have sufficient revenues, but they have little control over expenditures. The NEA reported that the average teacher's salary for Montana in FY2011 was \$47,132. The average teaching salary in the Billings School Districts during FY2011 was \$56,191, which is \$9,059 more than the Montana average. Now take that \$9,059 time the 1,188 teachers and you get \$10,762,092. That is the total amount that Billings Schools Districts exceed the state average, which also means that other school districts in the state pay their teachers a total \$10,762,092 less than the state average. Then consider that upon retirement Billings School Districts pay a retirement bonus of 2 ½ day pay for each year of service. That amounts to from \$1,000,000 to \$2,000,000 annually depending on the number of retirees. Billings School Districts also pay for the health insurance of retirees which amounted to \$1,697,000 in FY2011. And then some people can't understand why there are not sufficient funds to: (1) keep text books updated, (2) maintain facilities (currently there is about \$100,000,000 in deferred maintenance) or, (3) meet accreditation standards in the elementary district. The simple reason: Billings School Districts no longer have control over salaries and benefit. It is almost impossible for the current Board and Administration to get control of these expenditures. One way the Billings School Districts can get their finances in order is to declare bankruptcy and let the court reorganize the districts' operations.

Please do not increase the basic entitlement for larger school districts. They have not shown that they can spend state funds responsibly and have not earned any increase.

Thank you for listening.

SUMMARY TABLE G. ESTIMATED AVERAGE ANNUAL SALARIES OF TOTAL INSTRUCTIONAL STAFF AND OF CLASSROOM TEACHERS, 2009–10 (REVISED) AND 2010–11

REGION AND STATE	INSTR. STAFF	2009–10 (REVISED) AVERAGE SALARY FOR CLASSROOM TEACHERS			INSTR. STAFF	2010–11 AVERAGE SALARY FOR CLASSROOM TEACHERS			ALL TEACHERS % CHANGE VERSUS	
		ELEM.	SEC.	ALL TEACHERS		ELEM.	SEC.	ALL TEACHERS	2009–10	2000–01
									(CURRENT \$)	(CURRENT \$)
1	2	3	4	5	6	7	8	9	10	11
50 STATES AND D.C.	57,146	54,918	55,595	55,202	58,025	55,864	56,350	56,069	1.57	29.3
NEW ENGLAND	63,811	62,342	62,015	62,230	65,349	63,761	63,426	63,646	2.28	35.4
CONNECTICUT	68,412 *	64,350 *	64,350 *	64,350 *	69,981 *	65,571 *	65,571 *	65,571 *	1.90 *	24.4 *
MAINE	46,106 *	46,106 *	46,106 *	46,106 *	47,182 *	47,182 *	47,182 *	47,182 *	2.33 *	29.7 *
MASSACHUSETTS	69,273	69,273	69,273	69,273	71,017	71,017	71,017	71,017	2.52	46.0
NEW HAMPSHIRE	51,443	51,443	51,443	51,443	52,516 *	52,792 *	52,792 *	52,792 *	2.62 *	37.8
RHODE ISLAND	64,121 *	59,686 *	59,686 *	59,686 *	65,640 *	60,923 *	60,923 *	60,923 *	2.07	25.7 *
VERMONT	55,053 *	49,084 *	49,084 *	49,084 *	56,947 *	50,141 *	50,141 *	50,141 *	2.15 *	31.1 *
MID EAST	68,034	65,865	66,738	66,183	68,864	67,062	67,910	67,470	1.94	33.8
DELAWARE	59,851	57,384	56,782	57,080	60,746 *	57,934 *	57,934 *	57,934 *	1.50 *	23.1
DISTRICT OF COLUMBIA	65,645 *	64,548 *	64,548 *	64,548 *	66,691 *	66,601 *	66,601 *	66,601 *	3.18 *	36.7 *
MARYLAND	64,990	63,637	64,546	63,971	66,093 *	65,113 *	65,113 *	65,113 *	1.79 *	41.7
NEW JERSEY	68,908 *	64,314 *	66,773 *	65,130 *	70,711 *	66,309 *	67,771 *	66,985 *	2.85 *	29.3 *
NEW YORK	73,148	71,978	71,353	71,633	73,192	72,708 *	72,708 *	72,708	1.50 *	41.2
PENNSYLVANIA	60,973	59,156 *	59,156 *	59,156	62,141	60,536 *	60,536 *	60,536	2.33 *	22.2 *
SOUTHEAST	49,902	48,076	48,378	48,320	50,668	49,038	49,032	49,080	1.57	28.1
ALABAMA	49,423	46,870	48,348	47,571	50,162 *	48,282 *	48,282 *	48,282 *	1.50 *	30.1
ARKANSAS	48,400	46,700 *	46,700 *	46,700	49,500	47,700 *	47,700 *	47,700	2.14	37.7
FLORIDA	48,070	46,708	46,708	46,708	47,881	46,702	46,702	46,702	-0.01	22.2
GEORGIA	55,741	52,747	53,672	53,112	56,575 *	53,906 *	53,906 *	53,906 *	1.50 *	27.7
KENTUCKY	50,282	48,426	49,223	49,543	50,785	48,910	49,715	50,038	1.00	36.8
LOUISIANA	51,143	48,903	48,903	48,903	51,908 *	49,634 *	49,634 *	49,634 *	1.50 *	47.7
MISSISSIPPI	46,694 *	45,644 *	45,644 *	45,644 *	48,084 *	46,818 *	46,818 *	46,818 *	2.57 *	46.5 *
NORTH CAROLINA	46,850	46,850	46,850	46,850	46,850	46,850	46,850	46,850	0.00	12.9
SOUTH CAROLINA	49,888	45,913	46,545	47,508	52,348	49,434	49,434	49,434	4.05	30.3
TENNESSEE	48,126 *	46,290 *	46,290 *	46,290 *	48,864 *	47,043 *	47,043 *	47,043 *	1.63 *	25.7 *
VIRGINIA	51,504 *	50,015 *	50,015 *	50,015 *	52,803 *	51,559 *	51,559 *	51,559 *	3.09 *	28.3 *
WEST VIRGINIA	47,698 *	45,959 *	45,959 *	45,959 *	48,850 *	47,253 *	47,253 *	47,253 *	2.81 *	31.7 *
GREAT LAKES	60,099	57,214	56,384	56,833	61,204	57,934	57,430	57,742	1.60	25.6
ILLINOIS	62,492	62,077	62,077	62,077	63,527 *	63,005 *	63,005 *	63,005 *	1.50 *	31.7
INDIANA	53,443	49,986	49,986	49,986	54,491	50,407	50,407	50,407	0.84	16.4
MICHIGAN	65,285 *	57,958 *	57,958 *	57,958 *	66,952 *	58,595 *	58,595 *	58,595 *	1.10 *	14.2 *
OHIO	58,580	56,861	55,109	55,958	59,456 *	57,291 *	57,291 *	57,291 *	2.38 *	34.2
WISCONSIN	55,193	51,240	51,317	51,264	56,018 *	52,031 *	52,031 *	52,031 *	1.50 *	23.5
PLAINS	49,592	47,532	47,603	47,564	50,684	48,210	48,413	48,298	1.54	31.3
IOWA	51,402	49,969	48,944	49,626	52,483 *	50,634 *	50,634 *	50,634 *	2.03 *	38.8
KANSAS	47,715	46,657	46,657	46,657	48,135	47,080	47,080	47,080	0.91	31.1
MINNESOTA	56,474 *	52,431 *	52,431 *	52,431 *	58,091 *	53,215 *	53,215 *	53,215 *	1.50 *	26.1 *
MISSOURI	47,445 *	45,317 *	45,317 *	45,317 *	48,674 *	46,411 *	46,411 *	46,411 *	2.41 *	31.7 *
NEBRASKA	46,227	46,227	46,227	46,227	46,961 *	47,521 *	47,521 *	47,521 *	2.80 *	39.1
NORTH DAKOTA	44,478	43,228	42,367	42,964	45,845	44,266	44,266	44,266	3.03	43.3
SOUTH DAKOTA	40,315	38,887	38,719	38,837	41,285	35,201	35,201	35,201	-9.36	16.3
SOUTHWEST	50,208	47,133	48,944	47,947	50,516	47,897	48,551	48,182	0.49	28.3
ARIZONA	46,063 *	46,952 *	46,952 *	46,952 *	46,752 *	47,553 *	47,553 *	47,553 *	1.28 *	27.9 *
NEW MEXICO	48,647	45,705	46,568	46,258	49,660 *	46,950 *	46,950 *	46,950 *	1.50 *	39.0
OKLAHOMA	48,941	43,919	55,975	47,691	50,847 *	49,039 *	49,039 *	49,039 *	2.83 *	42.2
TEXAS	51,165	47,855	48,687	48,261	51,165	47,855	48,687	48,261	0.00	25.8
ROCKY MOUNTAINS	50,069	47,783	48,440	48,104	51,079	48,844	49,099	48,960	1.78	31.3
COLORADO	51,537	48,759	49,580	49,202	52,309 *	49,938 *	49,938 *	49,938 *	1.50 *	27.4
IDAHO	48,255 *	46,283 *	46,283 *	46,283 *	49,419 *	47,416 *	47,416 *	47,416 *	2.45 *	27.8 *
MONTANA	45,759	45,759	45,759	45,759	47,132 *	47,132 *	47,132 *	47,132 *	3.00 *	41.8
UTAH	47,884 *	45,885 *	45,885 *	45,885 *	49,102 *	46,571 *	46,571 *	46,571 *	1.50 *	27.8 *
WYOMING	58,050	55,545	56,204	55,861	59,211	56,656	57,328	56,978	2.00	64.3
FAR WEST	64,720	64,285	62,931	63,820	65,916	65,488	63,979	64,971	1.80	30.7
ALASKA	69,864	59,672	59,672	59,672	72,601	61,093	61,093	61,093	2.38	27.0
CALIFORNIA	68,203 *	68,203 *	68,203 *	68,203 *	69,434 *	69,434 *	69,434 *	69,434 *	1.80 *	32.3 *
HAWAII	56,241	55,063	55,063	55,063	56,241	55,063	55,063	55,063	0.00	37.5
NEVADA	52,538 *	51,524 *	51,524 *	51,524 *	53,736 *	53,023 *	53,023 *	53,023 *	2.91 *	31.1 *
OREGON	57,705	54,910	55,837	55,224	58,920 *	56,387 *	56,387 *	56,387 *	2.11 *	25.3
WASHINGTON	55,913	52,850	53,193	53,003	56,749 *	53,796 *	53,796 *	53,796 *	1.50 *	27.7

BEA SCATTERGRAM FOR 2010-11

	BA	BA15	BA30	BA45	BA60	BA75	BA90	BA105	MA	MA15	MA30	MA45	PHD
0	FTE 5.50		.60			1.00							
	SAL 194,650.50		22,695.60			41,888.00							
	EEE 6.00		1.00			1.00							
1	FTE 17.33	4.00	2.00	1.00		1.00			1.00	.60			1.50
	SAL 644,614.61	150,900.00	77,950.00	40,200.00		43,221.00			28,194.40	26,832.60			59,979.33
	EEE 19.00	4.00	2.00	1.00		1.00			1.00	1.00			2.00
2	FTE 19.20	4.00	1.50	5.00					5.00		1.00		1.00
	SAL 718,272.00	155,256.00	60,189.00	207,045.00					222,435.00		47,734.00		49,299.00
	EEE 21.00	4.00	2.00	5.00					5.00		1.00		1.00
3	FTE 19.50	9.00	4.00	4.00		1.00			13.00	3.50			.40
	SAL 749,268.00	359,108.96	165,088.00	170,488.00		45,891.00			594,880.00	177,779.60			20,309.60
	EEE 21.00	9.00	4.00	4.00		1.00			13.00	4.00			1.00
4	FTE 27.60	16.10	15.00	11.00	3.00	7.00	2.00	3.00	50.48	8.40	13.10		21.40
	SAL 1,111,297.08	659,890.62	678,735.96	482,140.96	136,590.00	330,596.00	98,110.00	152,241.00	2,374,057.69	409,315.20	662,270.54		1,118,085.82
	EEE 29.00	17.00	17.00	11.00	3.00	7.00	2.00	3.00	53.00	9.00	14.00		23.00
5	FTE 3.00	4.00	2.50	2.00		2.00			12.00	4.00	4.00		8.40
	SAL 121,329.00	168,288.00	108,922.50	90,080.00		97,126.04			579,660.04	200,252.00	207,859.99		451,206.00
	EEE 3.00	4.00	3.00	2.00		2.00			12.00	4.00	4.00		9.00
6	FTE 3.00	6.00	4.00	5.00		1.00	3.00	1.50	5.60	6.00	1.00		10.60
	SAL 124,359.04	258,942.00	178,868.00	231,245.00		49,896.00	155,631.00	80,530.50	277,636.80	308,376.00	53,377.00		584,982.30
	EEE 3.00	6.00	4.00	5.00		1.00	3.00	2.00	6.00	6.00	1.00		12.00
7	FTE 6.19	2.50	6.00	4.00	3.00	1.00	4.00	4.00	4.60	2.00	3.00		12.20
	SAL 262,663.75	110,612.50	275,220.00	189,848.00	148,047.00	51,231.00	213,144.00	220,636.00	233,905.40	105,462.00	164,358.00		691,239.76
	EEE 7.00	3.00	7.00	4.00	3.00	1.00	4.00	4.00	5.00	2.00	3.00		14.00
8	FTE 3.60	4.00	5.60	3.10	2.60			8.20	11.80	2.60	4.00		8.53
	SAL 163,184.40	188,072.04	272,552.00	156,931.16	136,674.20			464,357.80	615,051.40	140,574.20	224,800.00		495,549.65
	EEE 4.00	4.00	6.00	4.00	4.00			10.00	14.00	3.00	4.00		10.00
9	FTE 4.70	3.00	4.00	3.00	3.73		7.00	3.00	1.60	1.00	4.00		15.25
	SAL 210,075.90	139,872.00	192,656.00	149,640.00	193,716.57		392,742.00	174,303.00	85,428.80	55,402.00	230,424.00		908,915.25
	EEE 5.00	3.00	4.00	3.00	4.00		7.00	3.00	2.00	1.00	4.00		17.00
10	FTE 1.00		1.00		3.00	2.80	2.00	3.00	1.00		1.00		6.00
	SAL 44,992.00		49,537.00		159,504.00	154,663.60	115,036.00	178,716.00	54,668.00		59,018.00		366,431.96
	EEE 1.00		1.00		3.00	4.00	2.00	3.00	1.00		1.00		6.00
11	FTE 1.00			7.00	2.00	3.00	1.00	8.00	4.00	2.80			8.00
	SAL 45,290.00			367,899.00	109,410.00	170,525.96	58,930.00	488,352.00	224,820.00	163,357.60			500,352.00
	EEE 1.00			7.00	2.00	3.00	1.00	8.00	4.00	3.00			8.00
12	FTE 3.00	3.00	3.00	2.00	1.00	3.00	1.00	4.00	1.00	2.00	2.00		7.60
	SAL 142,674.00	151,572.00	107,212.00	55,795.00	173,940.00	61,827.00	256,308.00	57,295.00	118,960.04	126,654.00	498,385.20		8.00
	EEE 3.00	3.00	3.00	2.00	1.00	3.00	1.00	4.00	1.00	2.00	2.00		8.00
13	FTE 1.00	1.00	2.00	2.00	2.80			6.00	3.00	1.00	2.00		18.00
	SAL 46,501.00	48,509.00	103,070.00	109,352.00	113,822.00	165,586.40		392,154.00	175,233.00	60,638.04	129,120.00		1,203,461.92
	EEE 1.00	1.00	2.00	2.00	2.00	3.00		6.00	3.00	1.00	2.00		18.00
14	FTE 2.80	18.00	19.02	23.50	23.63	25.00	25.00	101.80	4.80	9.00	18.00		204.81
	SAL 141,268.40	964,727.96	1,081,515.44	1,390,918.00	1,439,193.64	1,639,549.96	6,919,753.20	307,853.59	567,035.96	1,180,643.24	14,229,039.42		271,601.20
	EEE 3.00	18.00	21.00	25.00	25.00	25.00	25.00	103.00	6.00	9.00	18.00		212.00

Total FTE 1,133.26
 Total Salary 63,679,101.79
 Total Employees 1,188
 Avg Sal per FTE 56,191.00