



Education and Local Government Interim Committee

60th Montana Legislature

SENATE MEMBERS

KIM GILLAN
BOB HAWKS
SAM KITZENBERG
RICK LAIBLE
DAVE LEWIS
JIM PETERSON

HOUSE MEMBERS

GARY BRANAE
WANDA GRINDE
ROBIN HAMILTON
BOB LAKE
BILL NOONEY
JOHN WARD

COMMITTEE STAFF

CASEY BARRS, Lead Staff
LEANNE HEISEL, Research Analyst
EDDYE MCCLURE, Staff Attorney
FONG HOM, Secretary
ALAN PEURA, Fiscal Analyst

MINUTES

March 14, 2008

Room 137, Capitol Building
Helena, Montana

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

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To view the minutes, locate the meeting date and click on minutes. To hear the audio recording, click on the Real Player icon. Note: You must have Real Player to listen to the audio recording.

COMMITTEE MEMBERS PRESENT

SEN. KIM GILLAN
SEN. BOB HAWKS
SEN. SAM KITZENBERG
SEN. RICK LAIBLE
SEN. DAVE LEWIS
SEN. JIM PETERSON

REP. GARY BRANAE
REP. WANDA GRINDE
REP. ROBIN HAMILTON
REP. BOB LAKE
REP. JOHN WARD

COMMITTEE MEMBERS EXCUSED

REP. BILL NOONEY

STAFF PRESENT

CASEY BARRS, Lead Staff
EDDYE MCCLURE, Staff Attorney
FONG HOM, Secretary
ALAN PEURA, Fiscal Analyst

Visitors

Visitors' list, Attachment #1.

COMMITTEE ACTION

CALL TO ORDER AND ROLL CALL

00:00:01 Sen. Laible called the meeting to order at 8:32 a.m. The committee secretary noted the roll visually. Rep. Nooney was excused. The minutes of December 14, 2007 was approved as read.

Casey Barrs, Research Analyst, LSD, asked the committee for their opinion as to how the system of sending documents by e-mail was working.

AGENDA

RECAP OF SUBCOMMITTEE MEETINGS ON MARCH 13th

K-12 Subcommittee Meeting

00:02:38 Sen. Kitzenberg gave a recap of the K-12 Subcommittee meeting. He said that the committee heard about the MEQC lawsuit, funding adjustments for small schools, taxation and school funding, and a report on school facilities. He said that a slide presentation on American Indian education and the achievement gap was given by NCSL consultant, Chris Lohse.

Sen. Peterson talked about the 2030 Project, a federal deficit reform advocacy initiative examining future demographics and heightening public awareness of the deficit issue.

Questions

00:14:08 Sen. Laible asked if there were any comments regarding students going to the universities and having to take remedial classes. Rep. Ward said that there was discussion on different approaches talking about ranking and what ranking meant. It wasn't so much that our performance, our ranking stayed the same and our performances stayed the same, but other states have improved. There were a number of references to ranking and how they may or may not be indicative of what was happening in Montana.

PEPB Subcommittee Meeting

00:19:18 Sen. Hawks said that the subcommittee discussed establishing ongoing shared policy goals with the Board of Regents. He said that the policy goals will give direction to the Board of Regents' programs and also give the PEPB committee direction with regard to funding.

Questions

00:27:26 Rep. Lake said that one of the concerns that was discussed was finding a solution to the level of remediation. He would like it noted in the minutes that there be a recommendation that a document of understanding be developed

between the Board of Public Education and the Board of Regents, to have the Board of Public Education be made aware of what type of product is needed so that a student coming into the University System will be unhindered by their education level.

00:31:22 Rep. Lake **moved** that staff be directed to begin the process of formulating ideas and thoughts for an agreement on addressing the remedial challenge with individuals from both sides selected by the Chair and with representatives from the Board of Regents and the Board of Public Education, and have a report ready for the full committee at the next meeting. The motion **passed** unanimously.

Public Comment

None at this time.

MONTANA QUALITY EDUCATION COALITION LAWSUIT- Eddy McClure, Staff Attorney, LSD

00:44:56 Ms. McClure talked about the four documents (**Exhibit 1**) regarding the new lawsuit filed by the Montana Quality Education Coalition: Plaintiff's Renewed Motion for Supplemental Relief and a Show Cause Hearing; Memorandum in Support of Renewed Motion; Letter from Governor Schweitzer to Attorney General McGrath laying out the governor's position on the Complaint; and the State's Answer Opposing the Renewed Motion for Supplemental Relief.

Public Comment

None at this time.

ANTIQUATED STATUTES - Eddy McClure, Staff Attorney, LSD

00:57:14 Ms. McClure talked about antiquated statutes that were listed in the memo from Code Commissioner Greg Petesch (**Exhibit 2**). She said that she contacted Harold Blattie, Montana Association of Counties, and Alec Hanson, Montana League of Cities and Towns, and asked for comments on the statutes listed in the memo. She said that there may be a bill draft presented at the next meeting for legislation to clean up these statutes.

Questions

01:01:17 Sen. Hawks asked about the Green River Laws. Ms. McClure responded that she is not sure of the Green River Laws but that is something that local governments work with and that is why she had asked Mr. Blattie for assistance.

MONTANA ASSOCIATION OF COUNTIES - Harold Blattie, Executive Director

01:02:15 Mr. Blattie thanked Ms. McClure for bringing the issue of antiquated statutes to his attention. He said that he identified 40 some statutes that need to be looked at. He said that he sent an email to all county elected officials (**Exhibit 3**) regarding this issue and has received several responses.

Questions

01:05:21 Sen. Hawks asked Mr. Blattie about the Green River Laws. Mr. Blattie said that that should be addressed to Alec Hansen because those laws are only applicable within incorporated cities.

Sen. Laible asked if Ms. McClure was going to review the recommendations from the local governments with Mr. Blattie and Mr. Hansen and come back with a recommendation to the committee. Ms. McClure said that a recommendation could come to the committee in the form of a bill draft at the next meeting.

Public Comment

None at this time.

ADMINISTRATIVE EFFICIENCIES - Casey Barrs, Research Analyst, LSD

01:08:15 Casey Barrs talked about Administrative Efficiencies in Select States (**Exhibit 4**).

01:15:24 **Darrell Rud, Executive Director, School Administrators of Montana**, gave a presentation on Answering the Critics of School Administration (**Exhibit 5**). He also discussed the 2006-2007 Administrative Trivia (**Exhibit 6**) and Salaries and Wages for personnel in the school system (**Exhibit 7**).

Questions

Sen. Peterson asked how salaries in administration in education in Montana compare with salaries in administration in other industries in Montana. Mr. Rud said that he did not research this matter in preparation for this presentation.

Sen. Hawks asked if there are auditing capabilities in place to make sure that reporting of overall administrative costs of districts is standardized. Mr. Rud made a few comments on a document from OPI, which he distributed to members of the committee, showing the format in which school districts submit their data for general fund expenditures (**Exhibit 8**).

Rep. Ward asked if Mr. Rud was aware of any studies on economies of scale with regard to consolidation of administrative functions. Mr. Rud said that he did not believe that a formal one has been done in Montana other than the Public School Renewal Commission of 2003.

02:18:28 **Jim Standaert, Fiscal Analyst, LFD**, said that his first handout, "Proportion of Spending by School Districts - By Function By Object" shows how Montana spends its K-12 dollars both by dollar amount and percentages (**Exhibit 9**). The second handout contains information on administrators that are excerpts from a book "Education State Rankings 2007-2008" published by CQ Press on K-12 statistics on staff and dollars spent (**Exhibit 10**).

Questions

02:27:34 Sen. Gillan asked if it was possible to further refine OPI data by the size of the school, Class A, AA, etc., to see whether there were differences based on the

size of the district. Mr. Standaert said that he has data for every district in the state and he can compile them by size and category.

Sen. Laible asked if there is a trend among some other states to look at consolidating the costs of administration? Mr. Rud said that a lot of Montana schools are looking at whether they should continue on because of declining enrollment and declining numbers in administrators.

02:52:41 Rep. Grinde asked what plans the committee has when all the data has been gathered. Sen. Laible said that he wanted the committee to decide if it would like to continue looking at ways to consolidate in order to provide more resources for the schools. He said that it would be interesting to see what other states have done when they turned to countywide superintendents.

Sen. Laible asked if Mr. Standaert could get information on the percentages that goes into administration and how much goes into the classroom, if that ratio has changed. He said that he would like more data, so that when we go into session, we could pass legislation looking for a more comprehensive study. Sen. Laible also asked Mr. Standaert to do a comparison with another state that has consolidated school administration to see how their achievement is and if that would be something that this committee would be interested in pursuing. Mr. Standaert said that he would contact Wyoming, Nebraska, and South Dakota and find out when they went to a more consolidated administrative system and if they have noticed anything in terms of pupil performance, how long they have been in that situation, any cost savings and any measures of economies of scale that they have observed. Sen. Laible said that if Mr. Standaert could bring that information to the next meeting or before the interim ends, then the committee could make a determination whether it wants to have staff prepare a study resolution that can be brought to the next session. If it does not look like there is going to be any benefit to the students in one way or another, then it might be a moot issue.

Public Comment

02:59:41 **Bruce Messinger, Superintendent of Helena**, talked about the issue of governance structure. He said that he would advocate for quality, professional development training for administrators.

03:04:19 **Steve Meloy** commented on the number of FTEs per student in both elementary and high school system and the role of the counselor. He also commended the work of the Public School Renewal Commission.

LUNCH

FUNDING ADJUSTMENTS FOR SMALL, REMOTE, OR SHRINKING SCHOOLS

04:00:03 **Casey Barrs, Research Analyst, LSD**, talked about neighboring states that have features in their school funding formulas which provide extra weight or

enhancements for small, rural schools or schools facing declining enrollment. He identified six neighboring states that adjust their formulas for smaller rural schools: Wyoming, Washington, North Dakota, South Dakota, Idaho, and Oregon (**Exhibit 11**).

04:02:52 **Jlm Standaert, Fiscal Analyst, LFD**, talked about small school adjustments in Montana and other states (**Exhibit 12**).

Questions

04:56:15 Sen. Peterson asked if Mr. Standaert could include the criterion of distance (between home and school) to his research. Mr. Standaert said that they could do that.

Sen. Kitzenberg asked for clarification on equity. Ms. McClure said that the equity issue legally is that the state distributes state money to the districts. There is an inflation adjustment on parts of the formula, based on consumer price index on some of the education components.

There was a discussion about the idea of satellite schools wherein a school that has a given number of ANBs could become a satellite to a nearby school to share resources and administration.

Public Comment

None at this time.

TAXATION AND SCHOOL FUNDING - Jeff Martin, Staff, Revenue and Transportation Committee

05:11:43 Mr. Martin talked about what the SJR 31 Subcommittee of the Revenue and Transportation Interim Committee was doing. He said that the SJR 31 Study was specifically designed to (1) examine future demographics of property taxpayers, school-aged children, retirees, and other factors relating to the viability of property taxes to fund education, (2) examine the distribution or mal-distribution of classes of taxable property in counties and school districts, (3) study the feasibility of the statewide equalization district with property tax levies against particular classes of property and other sources of statewide revenue, and (4) study the use of certain taxes to replace property taxes and to provide tax relief for homes, commercial properties, and agricultural and forest lands.

Rep. Lake, a member of the SJR 31 Subcommittee, added that the demographics that Mr. Martin referred to in his presentation were a fact of life and that the Legislature will have to start looking at the taxing implications and how to fund an education system that is based on property ownership.

Public Comment

None at this time.

DISTANCE LEARNING

05:44:31 Casey Barrs, Research Analyst, LSD, distributed and discussed two handouts: Distance Learning: State Policies in Comparison; and Distance Learning Courses

offered by School Districts (**Exhibit 13**).

Office of Commissioner of Higher Education- Tyler Trevor, Associate Commissioner for Research, Technology & Communication

05:51:07 Mr. Trevor first discussed his handouts on the headcounts taken for all students in the Montana University System enrolled in distance learning (**Exhibit 14**). Mr. Trevor said that their office sees distance education as an integral part of the delivery methods that the University System will use not only to increase participation at the two-year level but to deliver education to those parts of rural Montana that are outside of their campuses.

Questions

05:56:25 Sen. Peterson asked why MSU Great Falls is the only college that is delivering distance learning saying that the University System is not accessing K-12 now, he asked if that was due to the decision process of the Board of Education regarding teacher certification? Mr. Trevor answered that there is a multitude of factors as to why there is such low participation of high school students in distance education classes. He said that it is his understanding that they have the ability to teach college classes to those students in high school settings as long as they are not using those credits toward their high school graduation. He said that they have not utilized dual enrollment, dual credit, or early college access to the degree that other states have. **Steve Meloy, Montana Board of Public Education**, commented that licensure will not take effect until July 1, 2009, and anything that has been going on or not going on in the university system has not been impacted by the Board's decision to require licensure.

06:00:00 Sen. Lewis said that he recalls that when they first started appropriating money for distance learning, it was said that distance learning would to be made available to high school students, and that the major priority was that there would be dual enrollment options in the rural schools. He concluded that this appears not to be happening. Mr. Trevor said that one of the problems might be the lack of IT infrastructure that is needed in order to deliver distance learning to rural schools.

Sen. Laible asked why there is a problem with professors being licensed Montana teachers. Mr. Trevor said that there is a task force that is working on that issue. They have a variety of faculty throughout the system, some being tenured full time faculty, others being adjunct faculty. To have everyone have a teacher's license in order to deliver a course online, the onus put on the faculty which would likely dissuade them from volunteering to teach these types of classes, at least to high school students. The task force has worked out a draft agreement that both sides can agree upon and it is his understanding it is near completion.

e-Learning Consortium - Martin Horejsi, Assistant Professor of Instructional Tech, University of Montana

06:10:44 Mr. Horejsi gave a presentation on e-Learning Consortium (**Exhibit 15**).

Questions

- 06:32:26 Sen. Lewis said that we have 483 high school students taking course. He asked Mr. Horejsi if he was saying that most of these are online, not interactive? Mr. Horejsi said they may be online, but the question is, is there a teacher monitoring what the student is doing. A distance learning class means it is not taking place face to face. He said that through the Consortium's courses a teacher can give a reading, an assignment, and then the student writes their essay on the reading or answers the question. The teacher then reads those and gives them feedback. It is like a classroom, but is asynchronous, meaning that it is not taking place at the same moment in time. The teacher is in direct communication with the student. If you take the course from Brigham Young University, you will get some flashy, wonderful content rich materials, but can you talk to somebody if you don't understand them?
- 06:36:39 Rep. Branae asked how to verify that a student taking a distance learning class is actually doing the work. Mr. Horejsi said that through the Consortium, they have the connection to do ground truthing. If something isn't matching up, they can actually ask the administrator to check on the student.

Montana Board of Public Education - Steve Meloy, Executive Secretary

- 06:55:12 Mr. Meloy distributed a document "Distance Learning Task Force Timeline Summary" (**Exhibit 16**) to give the committee an idea of what has been done with distance learning by the task force.
- 07:05:31 Mr. Meloy discussed the discussion points on Distance Learning that the Committee had requested (**Exhibit 17**).

Questions

- 07:14:59 Sen. Laible asked about the language which is "provided their license requirements are equal to or greater than those in Montana" that Mr. Meloy talked about in his discussion points. Sen. Laible said that if we make our standards so high that we eliminate distance learning, then we have formed a monopoly for the e-Learning Consortium. Mr. Meloy said that the language in their rule says that the teachers must come from a state-approved or NCADE-approved school.

Public Comment

- 07:20:09 Connie Erickson, private citizen, talked about her son's experience with the Brigham Young University Department of Independent Study.

Scholarship Plans - Casey Barrs, Research Analyst, LSD

- 07:26:01 Mr. Barrs gave a presentation on the subject of scholarship plans. He talked about the Hathaway Scholarship Plan and the Wyoming Statutes (**Exhibit 18**).

Questions

- 07:33:49 Sen. Laible asked Mr. Barrs what concrete benefits the proponents of the Taylor Plan in Louisiana attributed to that plan. Mr. Barrs responded that the visiting presenters and their materials had tended to focus on anecdotal, individual success stories rather than data-based measures of benefit. The Taylor Plan

equivalent in Wyoming (The Hathaway Plan) is too new to have generated data about its own tangible benefits.

07:37:22 Sen. Laible said that this is an opportunity for the Legislature to put money aside as scholarships for Montana students who may not go to college because they either don't think they can get into college or that their parents cannot afford the college fees. He said that he would like to put something in statute so that every year there is an ongoing plan to support the scholarship availability for all of our students. He said, with permission of the committee, he would move that this issue be an agenda item for the next meeting.

07:48:00 **Tyler Trevor, Commissioner of Higher Education Office**, talked about a point in their strategic plan of needs-based aid, which is primarily a merit-based scholarship with a needs-base component.

Public Comment

None at this time.

07:50:19 Rep. Hamilton requested that the Oregon's health plan be put on the agenda for the next meeting.

Adjournment

07:51:46 Sen. Laible adjourned the meeting at 4:24 p.m.

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