



Education and Local Government Interim Committee

PO BOX 201706
Helena, MT 59620-1706
(406) 444-3064
FAX (406) 444-3036

57th Montana Legislature

SENATE MEMBERS

EDWARD B. "ED" BUTCHER
ALVIN A. ELLIS JR.
WM. E. "BILL" GLASER
LINDA J. NELSON
DON RYAN
DEBBIE SHEA

HOUSE MEMBERS

JOAN ANDERSEN
GARY BRANAE
TOM FACEY
JEFF MANGAN
GAY ANN MASOLO
ART PETERSON

COMMITTEE STAFF

CONNIE ERICKSON
RESEARCH ANALYST
EDDYE McCLURE
STAFF ATTORNEY
PAM JOEHLER
FISCAL ANALYST

April 2, 2002

MINUTES

Miles Community College
Miles City, Montana

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Committee tapes are on file in the offices of the Legislative Services Division.
Exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of documents.

COMMITTEE MEMBERS PRESENT

Sen. Linda Nelson
Rep. Joan Anderson

Sen. Edward Butcher
Sen. Alvin Ellis
Sen. William Glaser

Rep. Gary Branae

COMMITTEE MEMBERS ABSENT

Sen. Debbie Shea
Sen. Don Ryan
Rep. Gay Ann Masolo
Rep. Tom Facey
Rep. Art Peterson
Rep. Jeff Mangan

STAFF PRESENT

Connie Erickson, Research Analyst
Eddy McClure, Attorney
Miko Owa, Secretary

VISITORS' LIST

Visitors' list (ATTACHMENT #1)

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 7:00 p.m. by Sen. Nelson. Roll call (ATTACHMENT #2) was noted with all members present except for Sen. Debbie Shea, Sen. Don Ryan, Rep. Gay Ann Masolo, Rep. Tom Facey, Rep. Art Peterson, and Rep. Jeff Mangan who were excused.

GOVERNOR'S PLAN

Jeff Hindoién, Governor's Office and Amy Carlson, Office of Budget and Program Planning, made a PowerPoint presentation to the public on the work of the Governor's Public School Funding Council (EXHIBIT #1). The presentation included a history of the study, the work of the Council, and the final recommendations.

The recommendations of the Council are as follows:

1. Create a countywide levy to fund the property tax portion of the BASE budgets of all school districts in a county.
2. Expand the county retirement levy to fund district health insurance costs.
3. Pursue the establishment of a statewide insurance pool for school district employees and require that all school districts join.
4. Use a weighted GTB calculation for both the countywide BASE budget levy and for the county retirement/insurance levy.
5. Adopt the transportation funding structure proposed in HB 163 from the 2001 legislative session.
6. Calculate the ANB for a district with declining enrollment by using the average enrollment over a 3-year period.
7. Provide an annual inflation adjustment tied to the Consumer Price Index for the basic entitlement, per-ANB entitlement, and special education funding.
8. Use the HB 124 block grant for debt service to expand school facility payment to all low-wealth school districts that have outstanding general obligation bonds and to increase the school facility payment.
9. Allow school trustees to allocate the remaining balance of a district's HB 124 block grants to any budgeted fund of the district.

The Council also looked at the issue of school district consolidation and found:

- no compelling evidence that reducing the number of districts would save costs; and
- no current significant "disincentives" to consolidation, except tax levels.

The Council encouraged school districts to look at the consolidation of education services when it benefits the students. Some examples of such a consolidation are greater use of distance learning technologies and cooperative arrangements among districts for administrative and educational services.

The Council recommended further study in three areas:

1. adequacy of school funding;
2. combining funds for bus depreciation, building, building reserve, technology acquisition, and lease or rental agreements into a capital projects fund; and
3. teacher shortages and teacher salaries.

A copy of the "Governor's K-12 Public School Funding Study Advisory Council Report and Recommendations" (EXHIBIT #2) was provided to the members of the public in attendance. Ms. Carlson also posted maps (EXHIBIT #3) for the public to view to show the changes in the mills for each county under Recommendation #1.

PUBLIC COMMENT

Shirley Kapitzke, Pine Hills Youth Correctional Facility, Miles City, commented that a number of graduating teachers are leaving the state for higher starting salaries.

Martha Young, Dawson County Superintendent, asked about the maps and the more populous areas not having higher increases. She also asked about income comparisons. Ms. Carlson said that the majority of the population pays between 60 and 80 mills today. She said that after the county wide equalization most of the population will continue to pay between 60 and 80 mills. Ms. Carlson said that mills are based on property values. Ms. Young asked for a clarification between local and state funds because both of those funds are paid through taxes on the people. Mr. Hindoen said that her point is correct and there is not a different set of tax payers. However, there is an issue where some districts do not have to work as hard to generate the same money.

Sen. Ellis said that the reason that that was studied is because educators have long pointed out that as local mills go up, there is a resistance in the public to pass mill levies and the state should provide the funds. Therefore, the public is asking that the state force taxes on people rather than having them force it upon themselves.

Dick Cameron, Superintendent, Glendive, said that in Glendive they have a health insurance crisis and asked if the legislature is going to address the issue in the next session. Sen. Nelson said that the recommendations coming to us will be carried forward in good faith by the legislature, but if they pass that is another issue. Sen. Butcher said that health insurance is a big issue across the board. He said that it all comes out of the same pot and the problem that everyone has to recognize is that there isn't a money tree in the state. He said that the issue comes back to the public and what taxes they want raised.

Dave Shreeve, Principal, Colstrip High School, said that Montana needs to look at a tourist tax. He said that George Dennison said that \$3,000,000 can be generated from a tourist tax. Sen. Butcher said that that is an interesting proposal, but once you go into discriminatory taxing that may cause some problems federally. Sen. Glaser said that they have considered local option taxes and state wide tourist taxes. He said that half of that comes from local people because they are tourists in their own state. Mr. Shreeve said that just redistributing the dollars within the state is not going to fix the problem.

Mr. Cameron said that he is trying to save the state money by creating a single pool for public school employees. He said that this would give the state and teachers the bargaining power to lower insurance costs. He said that health insurance is a huge recruitment issue.

Rep. Mathews, said that he is on the health care committee and with rising cost of health care coincides with the rising cost of health care insurance. He said that there is no simple solution, and he believes the rising cost of health care is going to a hot issue. He said that there may be a statewide pool. He said right now, every indication from the school districts is that they would like some legislation to make school district participation in a pool mandatory.

Mr. Cameron said that he testified in favor of that bill.

Sharyn Thomas, County Superintendent, Rose Bud, asked the Committee to consider rural schools with limited budgets when they work to make health insurance mandatory.

Ms. Young asked about junior colleges and health insurance as they are subsidiaries of the high school. She also asked when junior colleges will be let out of I-105. Sen. Glaser said that HB 124 was such a huge bill and the legislature did not intentionally leave anyone behind. He said that he would ask staff to review the situation and see if that can be cleaned up next session.

Sen. Zook asked about some counties paying zero mills. Ms. Carlson said that everyone pays 95 mills. He also asked about the countywide mill levy and asked if she would explore the issue further to determine the effects that the change could have on counties. Ms. Carlson said that she would review the issue further.

Sue Stanton, Miles City, asked about the drop in the percentage of school funding that has been assumed by the state. She asked if the recommendations will result in the state assuming a greater burden or just a redistribution. Mr. Hindoen said that assuming the recommendations for ANB averaging and CPI adjustments are adopted, that would result in an increase in state share. Ms. Stanton said that the state share in 1994 was 51% and it is now 45%. Sen. Zook said that it is kind of misleading because in 1993, the level of funding was \$802,000,000 from the state and now we are at \$1 billion and it is misleading to say that the state share has declined when the dollars continue to increase.

Janell Grant, Miles City, said that she is saddened by the fact that she pays less for out-of-state tuition than in-state tuition for one of her children. She said that it is time to stop throwing figures around and look at the facts of the situation.

Ellen Zook, Custer County Superintendent, asked about county equalization and shared revenue resources. Ms. Carlson said that any non levy revenue sources will be shared among districts in the county. Mr. asked about the formula for distribution. Ms. Carlson said that that was not a part of the Council's study. Sen. Ellis said that for instance in Carbon County, Belfry is an oil rich district and that oil revenue would subsidize other districts. Madalyn Quinlan, Chief of Staff, Office of Public Instruction, said that there is more mill variations within counties than among counties which is why most of the state can be equalized.

Larry Bjorndal, State Industrial School, said that public school teachers are subsidizing the state to a large extent. He said that health insurance is a large issue as well and encouraged his nephew not to become a teacher if he was going to stay in Montana. He said that everyone in the school system makes an investment and the return right now is going down the hill.

Paul Stengel, Miles City, Former Superintendent, said that counties used to spend money in the county, now the money is sent to the state and returned to the county as state funds. He said that the state is still spending the local dollars.

Ms. Young asked about SB 184 temporary reimbursements. Ms. Carlson said that SB 184 arose out of the 1999 legislative session and there were a number of property tax reductions. She said the reduced taxable value was reimbursed to county governments. She said the reimbursements were a temporary patch. Ms. Young said that she is confused about the purpose of taking the non-levy revenue out of the counties. Ms. Carlson said that it was a way to

simplify the transactions between state and local government. Sen. Nelson explained the simplification process. She said that the feedback they are receiving is still positive. Ms. Young asked if the amount going to the state through HB 124 will be returned to the counties dollar for dollar. Sen. Ellis said not exactly, but on average, yes. He also said that there is an inflator in there as well.

Mr. Shreeve asked what is being done to keep administrators in the state. **John McNeil, Superintendent, Savage Public Schools**, said that they did look at 2% benefit multiplier in teachers retirement. He said that this is for administrators and classroom teachers. He said that 2% is the norm in other states which will keep good people in the state. Ms. Quinlan said that for younger teachers and school administrators they are looking at a loan forgiveness program for teachers and administrators that go to work in shortage areas.

Diane Fladmo, Prairie View Co-op, urged everyone to support the recommendations of the council. She said that when the education system is examined from the outside, things look well. However, she would like to see increased support staff in schools. She said that if Montana is going to maintain the quality of the education system, they need to look seriously at staff retention.

Sen. Butcher asked the public about what might be looked at to relieve local schools with respect to state or federal mandates and better ways to utilize the funds. Ms. Kapitzke said that as far as dollars are concerned, the state needs to look at the federal government and national legislators. Sen. Butcher said that if the federal government is only funding half of what they are supposed to, then is it not the option of the state to cover only half of the mandates.

Bill Zook, Educator, Pine Hills Youth Correction Facility, said that he believes that is the way federal mandates originally started. He said that Montana has gotten more bang for its educational buck than any state in the union. He said that our students are third in the nation when it comes to standardized tests. He said we are desperately seeking teacher replacements and health insurance relief.

Wade Johnson, Broadus, said that in New Mexico they mandated a 9% increase in teacher salaries funded through gaming and lottery increases. He also said that they dealt with their teacher shortage by paying for their education.

Ms. Young asked the Committee if they have thought about different options in educating students such as a 4-day school week or revamping the whole school year. She asked if federal grants have been looked at for new programs. She said that we should use the assets in our state to develop the education system because as kids leave the state, they are also negatively impacting the economy. She encouraged school districts to seek greater partnerships with colleges.

Fred Anderson, Principal, Miles City, said that any program that involves federal funds requires data that is hard to gather. He said that it takes hundreds of hours to track students without any help from the state. He even said that there are some state mandates for information gathering that are very time-consuming and unfunded.

Sen. Butcher asked about the teacher shortage and alternative certification requirements. Mr. Anderson said that we don't require the same type of certification for K-12 as we do for post-secondary. He said that improvements can be made in the availability of educators if there were

not so many barriers. Ms. Kapitzke said that she disagrees with lowering the standards for educating teachers. She also said that post-secondary education needs to be funded at a higher level. She said that higher education is currently not drawing the grants, or doing the research necessary to bring businesses to the state.

Darrel Hammond, President, Miles Community College, said that he is firm believer in allowing alternative certification. He said that not everyone can teach and not every teacher in the current system can teach. He also recommended looking at school systems both K-12 and post-secondary and their effects on the economy, as they are, in some rural communities, the largest employer in the area. He also asked the Committee to look at community colleges and utilize them as an option for students instead of a four-year institution. He suggested a "2 + 2" program. He also urged the Committee to be more serious about distance education in the state and dual enrollment programs.

Mr. Zook spoke to the Committee about the WICHE program and scholarships being offered for students willing to return to the reservation and works on the reservation for a certain period of time.

Mr. Bjorndal said that the Committee needs to look at portability throughout the state. He said that if he moved to another city, he would lose his years of experience.

Sen. Butcher said that he had a bill in the legislature that was a portability bill. He said that if there are members of the public who are interested, he would need their support.

Jim Nygaard, Superintendent, Colstrip, asked how much their opinion really matters because Gov. Martz has already said that she would not support a number of items in the plan. Sen. Nelson said that Gov. Martz was part of the Executive Branch and they are the Legislative Branch and they will go forward with the ideas they want.

Jack Copps said that the resources that we have available to us are terribly strained and he has seen a desperation that he has never seen before. He said that he would really like to see tax restructuring.

Sherry Oster, Teacher, Miles City, asked how other states are currently funding their school programs. She also expressed concern over lowering standards for teachers. She said that she would not like to see teachers receiving less education. Sen. Butcher said that he was not talking about lowering the standards, he was talking about tapping into the experts. Mr. Hindoiien said that they did not look at how other states generate revenue for schools.

Mr. Cameron said that the people in Montana are supportive of education, and he believes that a sales tax may pass if there was some type of property tax relief.

ADJOURNMENT

The meeting adjourned at 9:20 p.m.



Education and Local Government Interim Committee

PO BOX 201706
Helena, MT 59620-1706
(406) 444-3064
FAX (406) 444-3036

57th Montana Legislature

SENATE MEMBERS

EDWARD B. "ED" BUTCHER
ALVIN A. ELLIS JR.
WM. E. "BILL" GLASER
LINDA J. NELSON
DON RYAN
DEBBIE SHEA

HOUSE MEMBERS

JOAN ANDERSEN
GARY BRANAE
TOM FACEY
JEFF MANGAN
GAY ANN MASOLO
ART PETERSON

COMMITTEE STAFF

CONNIE ERICKSON
RESEARCH ANALYST
EDDYE McCLURE
STAFF ATTORNEY
PAM JOEHLER
FISCAL ANALYST

April 2, 2002

MINUTES

Miles Community College
Miles City, Montana

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Committee tapes are on file in the offices of the Legislative Services Division. **Exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of documents.**

COMMITTEE MEMBERS PRESENT

Sen. Linda Nelson
Rep. Joan Anderson

Sen. Edward Butcher
Sen. Alvin Ellis
Sen. William Glaser

Rep. Gary Branae

COMMITTEE MEMBERS ABSENT

Sen. Debbie Shea
Sen. Don Ryan
Rep. Gay Ann Masolo
Rep. Tom Facey
Rep. Art Peterson
Rep. Jeff Mangan

STAFF PRESENT

Connie Erickson, Research Analyst
Eddy McClure, Attorney
Miko Owa, Secretary

VISITORS' LIST

Visitors' list (ATTACHMENT #1)

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 7:00 p.m. by Sen. Nelson. Roll call (ATTACHMENT #2) was noted with all members present except for Sen. Debbie Shea, Sen. Don Ryan, Rep. Gay Ann Masolo, Rep. Tom Facey, Rep. Art Peterson, and Rep. Jeff Mangan who were excused.

GOVERNOR'S PLAN

Jeff Hindoién, Governor's Office and Amy Carlson, Office of Budget and Program Planning, made a PowerPoint presentation to the public on the work of the Governor's Public School Funding Council (EXHIBIT #1). The presentation included a history of the study, the work of the Council, and the final recommendations.

The recommendations of the Council are as follows:

1. Create a countywide levy to fund the property tax portion of the BASE budgets of all school districts in a county.
2. Expand the county retirement levy to fund district health insurance costs.
3. Pursue the establishment of a statewide insurance pool for school district employees and require that all school districts join.
4. Use a weighted GTB calculation for both the countywide BASE budget levy and for the county retirement/insurance levy.
5. Adopt the transportation funding structure proposed in HB 163 from the 2001 legislative session.
6. Calculate the ANB for a district with declining enrollment by using the average enrollment over a 3-year period.
7. Provide an annual inflation adjustment tied to the Consumer Price Index for the basic entitlement, per-ANB entitlement, and special education funding.
8. Use the HB 124 block grant for debt service to expand school facility payment to all low-wealth school districts that have outstanding general obligation bonds and to increase the school facility payment.
9. Allow school trustees to allocate the remaining balance of a district's HB 124 block grants to any budgeted fund of the district.

The Council also looked at the issue of school district consolidation and found:

- no compelling evidence that reducing the number of districts would save costs; and
- no current significant "disincentives" to consolidation, except tax levels.

The Council encouraged school districts to look at the consolidation of education services when it benefits the students. Some examples of such a consolidation are greater use of distance learning technologies and cooperative arrangements among districts for administrative and educational services.

The Council recommended further study in three areas:

1. adequacy of school funding;
2. combining funds for bus depreciation, building, building reserve, technology acquisition, and lease or rental agreements into a capital projects fund; and
3. teacher shortages and teacher salaries.

A copy of the "Governor's K-12 Public School Funding Study Advisory Council Report and Recommendations" (EXHIBIT #2) was provided to the members of the public in attendance. Ms. Carlson also posted maps (EXHIBIT #3) for the public to view to show the changes in the mills for each county under Recommendation #1.

PUBLIC COMMENT

Shirley Kapitzke, Pine Hills Youth Correctional Facility, Miles City, commented that a number of graduating teachers are leaving the state for higher starting salaries.

Martha Young, Dawson County Superintendent, asked about the maps and the more populous areas not having higher increases. She also asked about income comparisons. Ms. Carlson said that the majority of the population pays between 60 and 80 mills today. She said that after the county wide equalization most of the population will continue to pay between 60 and 80 mills. Ms. Carlson said that mills are based on property values. Ms. Young asked for a clarification between local and state funds because both of those funds are paid through taxes on the people. Mr. Hindoen said that her point is correct and there is not a different set of tax payers. However, there is an issue where some districts do not have to work as hard to generate the same money.

Sen. Ellis said that the reason that that was studied is because educators have long pointed out that as local mills go up, there is a resistance in the public to pass mill levies and the state should provide the funds. Therefore, the public is asking that the state force taxes on people rather than having them force it upon themselves.

Dick Cameron, Superintendent, Glendive, said that in Glendive they have a health insurance crisis and asked if the legislature is going to address the issue in the next session. Sen. Nelson said that the recommendations coming to us will be carried forward in good faith by the legislature, but if they pass that is another issue. Sen. Butcher said that health insurance is a big issue across the board. He said that it all comes out of the same pot and the problem that everyone has to recognize is that there isn't a money tree in the state. He said that the issue comes back to the public and what taxes they want raised.

Dave Shreeve, Principal, Colstrip High School, said that Montana needs to look at a tourist tax. He said that George Dennison said that \$3,000,000 can be generated from a tourist tax. Sen. Butcher said that that is an interesting proposal, but once you go into discriminatory taxing that may cause some problems federally. Sen. Glaser said that they have considered local option taxes and state wide tourist taxes. He said that half of that comes from local people because they are tourists in their own state. Mr. Shreeve said that just redistributing the dollars within the state is not going to fix the problem.

Mr. Cameron said that he is trying to save the state money by creating a single pool for public school employees. He said that this would give the state and teachers the bargaining power to lower insurance costs. He said that health insurance is a huge recruitment issue.

Rep. Mathews, said that he is on the health care committee and with rising cost of health care coincides with the rising cost of health care insurance. He said that there is no simple solution, and he believes the rising cost of health care is going to a hot issue. He said that there may be a statewide pool. He said right now, every indication from the school districts is that they would like some legislation to make school district participation in a pool mandatory.

Mr. Cameron said that he testified in favor of that bill.

Sharyn Thomas, County Superintendent, Rose Bud, asked the Committee to consider rural schools with limited budgets when they work to make health insurance mandatory.

Ms. Young asked about junior colleges and health insurance as they are subsidiaries of the high school. She also asked when junior colleges will be let out of I-105. Sen. Glaser said that HB 124 was such a huge bill and the legislature did not intentionally leave anyone behind. He said that he would ask staff to review the situation and see if that can be cleaned up next session.

Sen. Zook asked about some counties paying zero mills. Ms. Carlson said that everyone pays 95 mills. He also asked about the countywide mill levy and asked if she would explore the issue further to determine the effects that the change could have on counties. Ms. Carlson said that she would review the issue further.

Sue Stanton, Miles City, asked about the drop in the percentage of school funding that has been assumed by the state. She asked if the recommendations will result in the state assuming a greater burden or just a redistribution. Mr. Hindoen said that assuming the recommendations for ANB averaging and CPI adjustments are adopted, that would result in an increase in state share. Ms. Stanton said that the state share in 1994 was 51% and it is now 45%. Sen. Zook said that it is kind of misleading because in 1993, the level of funding was \$802,000,000 from the state and now we are at \$1 billion and it is misleading to say that the state share has declined when the dollars continue to increase.

Janell Grant, Miles City, said that she is saddened by the fact that she pays less for out-of-state tuition than in-state tuition for one of her children. She said that it is time to stop throwing figures around and look at the facts of the situation.

Ellen Zook, Custer County Superintendent, asked about county equalization and shared revenue resources. Ms. Carlson said that any non levy revenue sources will be shared among districts in the county. Mr. asked about the formula for distribution. Ms. Carlson said that that was not a part of the Council's study. Sen. Ellis said that for instance in Carbon County, Belfry is an oil rich district and that oil revenue would subsidize other districts. Madalyn Quinlan, Chief of Staff, Office of Public Instruction, said that there is more mill variations within counties than among counties which is why most of the state can be equalized.

Larry Bjorndal, State Industrial School, said that public school teachers are subsidizing the state to a large extent. He said that health insurance is a large issue as well and encouraged his nephew not to become a teacher if he was going to stay in Montana. He said that everyone in the school system makes an investment and the return right now is going down the hill.

Paul Stengel, Miles City, Former Superintendent, said that counties used to spend money in the county, now the money is sent to the state and returned to the county as state funds. He said that the state is still spending the local dollars.

Ms. Young asked about SB 184 temporary reimbursements. Ms. Carlson said that SB 184 arose out of the 1999 legislative session and there were a number of property tax reductions. She said the reduced taxable value was reimbursed to county governments. She said the reimbursements were a temporary patch. Ms. Young said that she is confused about the purpose of taking the non-levy revenue out of the counties. Ms. Carlson said that it was a way to

simplify the transactions between state and local government. Sen. Nelson explained the simplification process. She said that the feedback they are receiving is still positive. Ms. Young asked if the amount going to the state through HB 124 will be returned to the counties dollar for dollar. Sen. Ellis said not exactly, but on average, yes. He also said that there is an inflator in there as well.

Mr. Shreeve asked what is being done to keep administrators in the state. **John McNeil, Superintendent, Savage Public Schools**, said that they did look at 2% benefit multiplier in teachers retirement. He said that this is for administrators and classroom teachers. He said that 2% is the norm in other states which will keep good people in the state. Ms. Quinlan said that for younger teachers and school administrators they are looking at a loan forgiveness program for teachers and administrators that go to work in shortage areas.

Diane Fladmo, Prairie View Co-op, urged everyone to support the recommendations of the council. She said that when the education system is examined from the outside, things look well. However, she would like to see increased support staff in schools. She said that if Montana is going to maintain the quality of the education system, they need to look seriously at staff retention.

Sen. Butcher asked the public about what might be looked at to relieve local schools with respect to state or federal mandates and better ways to utilize the funds. Ms. Kapitzke said that as far as dollars are concerned, the state needs to look at the federal government and national legislators. Sen. Butcher said that if the federal government is only funding half of what they are supposed to, then is it not the option of the state to cover only half of the mandates.

Bill Zook, Educator, Pine Hills Youth Correction Facility, said that he believes that is the way federal mandates originally started. He said that Montana has gotten more bang for its educational buck than any state in the union. He said that our students are third in the nation when it comes to standardized tests. He said we are desperately seeking teacher replacements and health insurance relief.

Wade Johnson, Broadus, said that in New Mexico they mandated a 9% increase in teacher salaries funded through gaming and lottery increases. He also said that they dealt with their teacher shortage by paying for their education.

Ms. Young asked the Committee if they have thought about different options in educating students such as a 4-day school week or revamping the whole school year. She asked if federal grants have been looked at for new programs. She said that we should use the assets in our state to develop the education system because as kids leave the state, they are also negatively impacting the economy. She encouraged school districts to seek greater partnerships with colleges.

Fred Anderson, Principal, Miles City, said that any program that involves federal funds requires data that is hard to gather. He said that it takes hundreds of hours to track students without any help from the state. He even said that there are some state mandates for information gathering that are very time-consuming and unfunded.

Sen. Butcher asked about the teacher shortage and alternative certification requirements. Mr. Anderson said that we don't require the same type of certification for K-12 as we do for post-secondary. He said that improvements can be made in the availability of educators if there were

not so many barriers. Ms. Kapitzke said that she disagrees with lowering the standards for educating teachers. She also said that post-secondary education needs to be funded at a higher level. She said that higher education is currently not drawing the grants, or doing the research necessary to bring businesses to the state.

Darrel Hammond, President, Miles Community College, said that he is firm believer in allowing alternative certification. He said that not everyone can teach and not every teacher in the current system can teach. He also recommended looking at school systems both K-12 and post-secondary and their effects on the economy, as they are, in some rural communities, the largest employer in the area. He also asked the Committee to look at community colleges and utilize them as an option for students instead of a four-year institution. He suggested a "2 + 2" program. He also urged the Committee to be more serious about distance education in the state and dual enrollment programs.

Mr. Zook spoke to the Committee about the WICHE program and scholarships being offered for students willing to return to the reservation and works on the reservation for a certain period of time.

Mr. Bjorndal said that the Committee needs to look at portability throughout the state. He said that if he moved to another city, he would lose his years of experience.

Sen. Butcher said that he had a bill in the legislature that was a portability bill. He said that if there are members of the public who are interested, he would need their support.

Jim Nygaard, Superintendent, Colstrip, asked how much their opinion really matters because Gov. Martz has already said that she would not support a number of items in the plan. Sen. Nelson said that Gov. Martz was part of the Executive Branch and they are the Legislative Branch and they will go forward with the ideas they want.

Jack Copps said that the resources that we have available to us are terribly strained and he has seen a desperation that he has never seen before. He said that he would really like to see tax restructuring.

Sherry Oster, Teacher, Miles City, asked how other states are currently funding their school programs. She also expressed concern over lowering standards for teachers. She said that she would not like to see teachers receiving less education. Sen. Butcher said that he was not talking about lowering the standards, he was talking about tapping into the experts. Mr. Hindoiien said that they did not look at how other states generate revenue for schools.

Mr. Cameron said that the people in Montana are supportive of education, and he believes that a sales tax may pass if there was some type of property tax relief.

ADJOURNMENT

The meeting adjourned at 9:20 p.m.