

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **MADAM CHAIR FRANKLIN**, on January 17, 2005 at 8:05 A.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Eve Franklin, Chairman (D)
Sen. Don Ryan, Vice Chairman (D)
Sen. John Esp (R)
Rep. Bill E. Glaser (R)
Rep. Verdell Jackson (R)
Rep. Carol C. Juneau (D)

Members Excused: Sen. Carol Williams (D)

Members Absent: None.

Staff Present: Amy Carlson, OBPP
Mike Burke, OBPP
Jim Standaert, Legislative Branch
Diana Williams, Committee Secretary
transcribed by Kim Leighton

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed. Tape counter notation refers to material preceding.

Committee Business Summary:

Hearing & Date Posted: Office Of Public Instruction:
Program (06)State Level Activities
Executive Action: None

Opening Remarks by MADAM CHAIR FRANKLIN:

CHAIR FRANKLIN opened the meeting with an explanation of the proceedings.

LFD Comments:

Jim Standaert, Legislative Fiscal Division discussed his relationship with the Office of Public Instruction (OPI). He stated that they have a clean bill of health. In other words, they know how to take care of their money.

OFFICE OF PUBLIC INSTRUCTION
PROGRAM (06) STATE LEVEL ACTIVITIES

Opening Remarks
Overview of OPI Departments

Linda McCulloch, State Superintendent, OPI, spoke about the tentative agenda for her presentation. She touched on a packet of information that she distributed in a green folder.

[EXHIBIT\(jeh12a01\)](#)

[EXHIBIT\(jeh12a02\)](#)

Ms. McCulloch continued with her presentation. She referred the Subcommittee to a packet of documents that deals with the allocation of money in regards to OPI.

[EXHIBIT\(jeh12a03\)](#)

She talked about allocation of revenue to school boards. She explained what OPI does to administer funding to schools. She provided some statistics on education in Montana. **Ms. McCulloch** spoke about education licensure. She also spoke about leadership and management. She referred to the "apple sheets" in the back of their packets.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 11.7}

Ms. McCulloch continued by speaking about the three departments within OPI. The first of these three departments is the Office of the Superintendent. It deals with leadership, policy and overall management. The next is the Department of Educational Services. It provides leadership and supervision to state and federal programs.

The primary areas in this department are: 1) accreditation standards, 2) educational opportunity and equity, 3) career education and adult education, 4) enhancement and safety and, 5) special education. The third department is the Department of Operations. This department provides leadership and supervision to the framework of the education system.

Ms. McCulloch spoke about the history of funding and OPI. She also said that one of her top priorities is to provide services and resources. She mentioned the Yellow School Bus Tour that OPI offers each year. **Ms. McCulloch** touched on the technology they have available. She spoke about VisionNet and web-based accomplishments. She talked about web-based licensure as well. It is an on-line renewal system.

Ms. McCulloch spoke about a parent-family partnership program they have on-line. She also touched on Indian education; they have been developing an action plan.

Ms. McCulloch explained that OPI received a perfect audit. She was very proud of this. Another priority of OPI is reading. She explained that if a child is not at the proper reading level by Grade 3, it is very difficult to catch them up to speed. She spoke about reading programs to which OPI contributes.

Ms. McCulloch discussed the next priority as American Indian education. She explained some Federal grants they have received for this. She provided some statistics in regard to Indian students and education. She reiterated that, "Educating our students is the best investment we can make in Montana." She also stated, "The key to economic development is a quality education system."

Ms. McCulloch thanked the Subcommittee for their help and hard work. She introduced Nancy Coopersmith, Educational Services Department. She also introduced Joan Anderson, Assistant Superintendent of Operations. She continued by introducing Madalyn Quinlan, State Superintendent's Office.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 6.5}

Nancy Coopersmith, Superintendent, OPI, stated what the staff of the Education Services Department provides to the community. She explained the accreditation organization. She spoke about educational opportunities and equal measurement and accountability. **Ms. Coopersmith** addressed Health Enhancement and Safety and the Special Education Division issues. She spoke about a Data Enhancement Grant. She stated that this year they received some competitive Federal funding for research. She

explained that another sub-group of the Educational Services Department is the Career Technical and Adult Education Division. She discussed this division further. She provided a copy of her testimony to the Subcommittee.

[EXHIBIT\(jeh12a04\)](#)

{Tape: 1; Side: B; Approx. Time Counter: 6.5 - 24.1}

Joan Anderson, Department of Operations, distributed a group of documents to aid in her presentation.

[EXHIBIT\(jeh12a05\)](#)

Ms. Anderson explained the three divisions within the Department of Operations. The first division is Information Technology (IT). Second, she discussed Fiscal Services Division. She stated that this is funded through a proprietary funds not appropriated through HB 2. The primary duty of the Fiscal Services Division is to ensure that OPI is accountable for the dollars that they administer. She also discussed E-Payments and how they work. The third division is the School Finance Division or Distribution to Schools. She explained the primary objective for the School Finance Division in regard to the allocation of funds. She described that they monitor State and Federal funds. She explained that they utilize a computer system called Mayfair and described how this is utilized by OPI. **Ms. Anderson** concluded by saying that they are proud to be held accountable. She thanked the Subcommittee.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 8.5}

Madalyn Quinlan, Chief of Staff, OPI, introduced herself and attested that she would be addressing the area concerning the Office of the State Superintendent. She discussed that there are three work units within the Superintendent's Office: 1) the Office of the State Superintendent, 2) Legal Services and 3) Education Licensure. She explained these what their responsibilities are, what is involved, and how they contribute to the educational community in Montana. She also provided a document to support her testimony.

[EXHIBIT\(jeh12a06\)](#)

{Tape: 2; Side: A; Approx. Time Counter: 8.5 - 22.9}

Upon return, **CHAIR FRANKLIN** opened the floor to questions and comment from the Subcommittee.

Questions from Subcommittee

REP. JACKSON asked for more detail on the indirect cost rate in the Fiscal Services Division. He claimed that it is an interesting concept and one that every state should do.

Ms. McCulloch pointed him toward Page 2 of her presentation. She believed this might clear up some of the confusion **REP. JACKSON** had.

REP. JACKSON wondered if they were eliminating the Iowa Basic Skills test.

Ms. McCulloch stated that the Board of Public Education (BPE) has a task force that is assessing this test and its applicability.

CHAIR FRANKLIN asked if it is a task force through BPE.

Ms. McCulloch confirmed that it is through BPE because the testing that they are assessing is through BPE.

REP. JACKSON stated that he would appreciate a little more information on the staffing involved in each of the blocks. He wondered how they pay for their staffing in terms of Federal and State funding.

Ms. McCulloch attested that 51 1/2 Full Time Equivalents (FTE) are paid for with State dollars.

REP. JACKSON inquired if there are some positions that are funded by half Federal dollars and half State dollars.

Ms. McCulloch agreed that there are some positions with split funding. She explained that process to the Subcommittee.

CHAIR FRANKLIN asked **Ms. McCulloch** if she would be able to provide a more detailed response to **REP. JACKSON's** question regarding staffing at OPI within the next couple of days.

Ms. McCulloch replied that she could do that.

REP. JUNEAU asked **Ms. McCulloch** if she could provide a list of those cuts that OPI has endured as well. **Ms. McCulloch** asked if she wanted this on paper. **REP. JUNEAU** said she would like it on paper. **Ms. McCulloch** agreed to provide this information.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 3.4}

No Child Left Behind Act

Ms. McCulloch distributed some information on No Child Left Behind (NCLB).

EXHIBIT(jeh12a07)

Ms. McCulloch discussed the adoption of NCLB by President George W. Bush. She explained what it consists of and how it helps the educational system. She stated that NCLB is the first federally-mandated policy that places punishments on schools for non-compliance. She touched on the issues of accountability and local control. **Ms. McCulloch** attested that there are two procedures for assessing the Adequate Yearly Progress (AYP). She discussed these procedures further. She mentioned how students and teachers are assessed. She stated what the definition for OPI is and how it is implemented. **Ms. McCulloch** concluded by stating that the staff of OPI, as well as herself, are always available for any questions the Subcommittee may have.

SEN. ESP asked how they follow the money through that is allocated for hiring quality teachers.

Ms. Coopersmith stated that it is outlined in Title 2, Part A of NCLB. She discussed funding and how it is appropriated.

SEN. WILLIAMS entered at 10:15 A.M.

SEN. ESP confirmed that it can be used, but doesn't necessarily have to be used.

Ms. Coopersmith attested that it may be used for professional development.

{Tape: 2; Side: B; Approx. Time Counter: 3.4 - 21.3}

SEN. ESP asked about the overview for the formula.

Ms. Coopersmith claimed that they would be happy to put something together for him.

SEN. ESP inquired about the testing for highly qualified teachers. He wondered who develops these tests and who administers them.

Ms. McCulloch touched on the National Board of Certification (NBC). She explained how they contribute to this process. She also stated that the legislature has a large part in this.

SEN. ESP inquired about a test through the Department of Education.

Ms. McCulloch said there is no such test. She also voiced a concern regarding teachers having the ability to teach physics every other year.

CHAIR FRANKLIN asked about the \$13 million figure. She wondered when this money becomes available.

Ms. Coopersmith stated that the allocations become available to schools on July 1. She explained the duration of availability and how allocations are awarded through e-application.

CHAIR FRANKLIN inquired if this is mutated money in a sense.

Ms. Coopersmith attested that NCLB is the eighth re-authorization of the Elementary and Secondary Education Act of 1965.

SEN. RYAN spoke about an e-mail he received from a school superintendent. He wondered if they were missing the boat on some issues.

Ms. McCulloch touched on the competitive basis. She added that money is only available to low-performance schools.

Ms. Coopersmith added that there is a Federal program which allocates funds for search-based programs. She added that she is sure Ms. McCulloch is frustrated because there are several areas where additional funding is needed.

SEN. RYAN inquired if the Federal money that is available is able to fund all of the programs.

Ms. McCulloch explained that the intent of the act is to ensure that 100% of all students perform at a proficient level and also graduate. She added that there are not enough funds to accomplish that goal.

SEN. RYAN inquired into the Grade 4 testing. The report stated that the highest was 350. However, he was under the impression that 300 was the highest they could go in Montana.

Ms. Coopersmith clarified what SEN. RYAN was asking and stated that they would look into it and get back to him.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 3.2}

SEN. ESP inquired into what the Eisenhower Study is in regard to the \$7 million reduction.

Ms. Coopersmith stated that she did not have the exact numbers at this time.

SEN. ESP reiterated that he believed these numbers were applying to the reduction of class sizes rather than staff development.

Ms. Coopersmith explained the difference between applying it to staff development versus reducing class sizes. She also expanded on the Eisenhower Study.

SEN. ESP asked how many school districts have applied to use these funds.

Ms. Coopersmith explained how they researched this regarding class-size reduction. She added that she did not have an exact number at this time.

CHAIR FRANKLIN thanked Ms. Coopersmith for her testimony.

REP. JACKSON expressed his concern over local control. He said that he is afraid that they will decrease the quality of education without it. He wondered how many other states participate in this. He also wondered if there was any movement tell the Federal government that they will not enter into it.

Ms. McCulloch attested that she doesn't disagree with what REP. JACKSON mentioned. She stated that they had to submit their definition by September 1, 2003. She stated that other states are working together. Also individuals from Washington, D.C., do not disagree with what REP. JACKSON is saying; they simply quote the law frequently. **Ms. McCulloch** attested that there is no state that has said they will not do NCLB.

{Tape: 3; Side: A; Approx. Time Counter: 3.2 - 15}

Individuals with Disabilities Act (IDEA) 2004

Bob Runkel, Director, Special Education, OPI, stated that he would be speaking about the Individuals with Disabilities Education Act (IDEA). He wanted to also touch on some recent changes that have taken place. He stated that IDEA has been in existence for approximately 30 years. It was initially formed to guarantee that children with disabilities would have access to public education. **Mr. Runkel** claimed that there are six major principles associated with IDEA: 1) free appropriate public education, 2) appropriate evaluation for eligibility, 3)

individualized educational programs, 4) placement in the least restrictive environment, 5) parent and student participation in decision-making, and 6) procedural safeguards.

Mr. Runkel attested that President George W. Bush re-authorized IDEA on December 3, 2004. He read a brief excerpt from President Bush's comments. **Mr. Runkel** spoke a little bit about the alignment of IDEA with NCLB. He also touched on Individualized Education Programs (IEP). He stated that up to 15 states can be granted waivers from the Board of Education. **Mr. Runkel** provided some verbal statistics on funding. He touched on various issues that contribute to the allocation on funds. **Mr. Runkel** provided written testimony to the Subcommittee as well.

[EXHIBIT\(jeh12a08\)](#)

SEN. ESP asked if Montana has to develop their own tests to assess the students.

Mr. Runkel responded by saying, "Yes and no." The State has to pick out what's called a Criteria Reference Test Alternate for those individuals with a severe learning disability. He added that a vast majority of children with disabilities take the Criteria Reference Test. He stated that there are approximately 300 children with a severe cognitive disability that take the alternate.

SEN. ESP inquired where the definition for significant cognitive disability came from.

Mr. Runkel said that there is a Federal definition of what a severe cognitive disability is; however, the State has the ability to revise that to their own standards.

{Tape: 3; Side: B; Approx. Time Counter: 0 - 2.4}

SEN. ESP spoke about networking with other states on this issue. He wondered if Montana is doing things similar to other states in this regard.

Mr. Runkel said that Montana is doing something quite similar to most other states. He provided some statistics on how this is being done.

SEN. ESP asked if 1% or 2% comes from the Federal government.

Mr. Runkel (tape inaudible)

CHAIR FRANKLIN asked if there was a clear-cut definition of a small school.

Ms. McCulloch said that there can be negotiations with the Department of Education.

CHAIR FRANKLIN asked if they had reached a decision on the definition or if it differs depending on the issue.

Ms. McCulloch stated that they were given a different definition of small schools this year than they were last year.

CHAIR FRANKLIN inquired if there is somebody at this point that could give her a definition of a small school.

Ms. McCulloch provided a definition of what a small school is in terms of students and testing.

CHAIR FRANKLIN clarified that it might be another negotiation to confirm what a small school is in terms of the 1% or 2% of Federal funds.

{Tape: 3; Side: B; Approx. Time Counter: 2.4 - 7.4}

REP. JACKSON provided some background on educational growth. He stated that some math and reading skills did not progress. He hoped that Mr. Runkel could discuss this a little further.

Mr. Runkel stated that he shares a lot of his values regarding this issue.

REP. JUNEAU spoke about parent involvement. She stated that this can be intimidating for school officials. There is the issue of involving advocates for this process. She wondered what OPI is doing to move this along.

Mr. Runkel attested that there is a variety of things they can do to support them. He suggested having a parents' network, financial support and possibly a change in how paperwork is done.

REP. JUNEAU touched on a report done by OPI examining suspension and expulsion rates in regard to special education. She wondered how this relates to American Indians.

Mr. Runkel spoke about assessing school environments and how they should approach behavioral issues.

REP. JUNEAU stressed the high numbers of American Indian students that fall into this area; she posed the idea that special resources need to be provided to American Indians.

Mr. Runkel stated that the size of the disproportionate statistics is quite significant.

{Tape: 3; Side: B; Approx. Time Counter: 7.4 - 20}

Budget Requests
Present Law Adjustments
DP 12, DP 13, DP 16

Joan Anderson, Department of Operations, spoke about DP 12. She provided a document to support her testimony.

[EXHIBIT\(jeh12a09\)](#)

Ms. Anderson explained DP 12; what it consists of and how much money is involved. She spoke about the computer surplus program. She stated that .25 FTE is not enough.

Madalyn Quinlan, Chief of Staff, OPI, continued with DP 13; this deals with educational licensure costs. The additional amount that OPI requested was \$7,080. She stated that these additional dollars would be applied to scanning fees, finger-printing for background checks and operation costs. She discussed why scanning is a good idea. She continued by discussing finger-print background checks. She explained how these fees are paid by applicants. She provided a few statistics on how these issues could be improved by this additional funding.

Bob Runkel, Special Education, OPI, discussed DP 16; which deals with special education. He discussed private and public partnerships, as well as the cost to the Governor. He provided a written document to the Subcommittee.

[EXHIBIT\(jeh12a10\)](#)

{Tape: 4; Side: A; Approx. Time Counter: 0 - 2.4}

Questions from Subcommittee
(None)

Public Comment

Sandy Olson, Past President, Association for Gifted and Talented Education (AGTE), stressed the importance of the restoration of AGTE. She expressed their support of DP 50 and explained what it would do for them.

Tammra Fisher, Polson, Mt., expressed her support of DP 50 and DP 53. She spoke about the school district in Polson.

Darrell Rud, Executive Director, School Administrators of Montana (SAM), spoke about the relationship between OPI and SAM. He discussed his history with SAM, and stressed the importance of resources, data and quality data management. He provided a document to the Subcommittee.

[EXHIBIT\(jeh12a11\)](#)

Ron Witmeyer, Superintendent of Schools, East Helena, stood in support of the budget proposal brought forward today.

Bruce Messinger, Superintendent, Helena Public Schools, wished to address two areas of concern. The first topic was the area accreditation standards assistance specialist. The second are he was a data management system.

Bob Fogel, Montana School Board Association (MTSBA), stated that as a past school trustee, he realized that all students can learn; they simply do it in different ways and at different paces. This is the central challenge that schools are faced with today.

Denise Juneau, former teacher and Indian education specialist, stressed the importance of Indian Education For All. She touched on the 1972 constitutional decision. She discussed OPI's work and what needs to be done to implement the Indian Education For All Act (IEFAA).

{Tape: 4; Side: A; Approx. Time Counter: 2.4 - 20.8}

Marsha Davis, Lewis and Clark County Superintendent of Schools, emphasized that IEFAA is important for all schools. She stated that OPI has done a good job getting the word out for Indian education. However, schools still lack the resources in this regard. She added that the need for a curriculum specialist is growing. She stated that teachers are looking for the specifics. She does not see OPI as a State agency; they are funded by Federal grants. She added that many of the rural schools are not making adequate progress and there needs to be a solution.

Joe Anderson, Blackfoot Tribe, came in support of the funding of education in Montana. He explained his history and why this is important to him. He stated that schools need to hire more Indian teachers and also utilize resources as much as possible in the form of courses.

Pearl McGillis, Cultural Outreach Coordinator, stated that they are an after-school program. They are looking for resources on the Indian culture.

Greg Upham, Assistant Principal, Capital High School, stated that he taught on an Indian Reservation for three years and stands in support of IEFAA.

Erik Burke, Montana Education Association-Montana Federation of Teachers (MEA-MFT), stood in support of the budget requests by OPI. He stressed how important MEA-MFT can be with adequate funding. He touched on performance standards. He talked about the Shock & Awe Mission. **Mr. Burke** said they need to focus on the mission and to integrate data systems. The focus is on Gifted & Talented students as well as IEFAA.

{Tape: 4; Side: B; Approx. Time Counter: 0 - 8.1}

Questions from Subcommittee

CHAIR FRANKLIN asked Ms. Fisher what a week looks like for a teacher in Polson who executes the Gifted & Talented curriculum for so many students.

Ms. Fisher explained the process of teaching different grade levels. She discussed the difference between elementary schools and high schools. There are different techniques that she uses for different ages.

CHAIR FRANKLIN asked where Ms. Fisher goes for support in her proceedings.

Ms. Fisher discussed a website that is useful and her history of education as well.

ADJOURNMENT

Adjournment: 11: 50 A.M.

REP. EVE FRANKLIN, Chairman

DIANA WILLIAMS, Secretary

EF/dw

Additional Exhibits:

EXHIBIT ([jeh12aad0.PDF](#))