

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **MADAM CHAIR EVE FRANKLIN**, on January 24, 2005
at 8:02 A.M., in Room 102 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: Mark Bruno, OBPP
Alan Peura, 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 notations refer to material preceding.

Committee Business Summary:

Hearing & Date Posted: Montana University System Overview,
Presentation: Shared Leadership for
a Stronger Montana Economy
Executive Action: None

MONTANA UNIVERSITY SYSTEM

Introduction

Sheila Stearns, Commissioner, Montana University System, introduced herself and presented a document which outlines their mission, vision and goals.

[EXHIBIT\(jeh18a01\)](#)

Commissioner Stearns thanked several individuals including the Subcommittee members and legislative staff. The regents appreciate their time. She also wished to thank her staff.

Commissioner Stearns said there are five major areas toward which they work: a) provide a stimulating and responsive environment for students; b) make a high quality affordable higher education available to all qualified citizens; c) deliver higher education services in a manner that is efficient, coordinated, and highly accessible; d) be responsive to market, employment and economic development needs of the state and the nation; and e) to improve support for and understanding of the university system as a contributor to the economic, social and political well being of the state.

{Tape: 1; Side: A; Approx. Time Counter: 2.3 - 16}

Matt Larson, President, Montana Association of Students, told the committee about the activities of the associated students. He would like the students to be able to lighten their debt load. He thanked the Subcommittee for allowing him to speak.

Kayla French, Student Regent on Board of Higher Education, said the committee is doing a good job. She believes the Board of Regents and the Office of the Commissioner of Higher Education (OCHE) are doing great things for the students.

**PRESENTATION ON SHARED LEADERSHIP
FOR A STRONGER MONTANA ECONOMY**

OVERVIEW

Dave Gibson, Montana University System, talked about a booklet, PowerPoint presentation, and an additional document in regard to shared leadership.

[EXHIBIT\(jeh18a02\)](#)

[EXHIBIT\(jeh18a03\)](#)

[EXHIBIT\(jeh18a04\)](#)

Mr. Gibson said the mission statement of shared leadership in the University System is to coordinate with business to help grow the economy of Montana. He said education and a skilled workforce are linked together by helping the economy of the state while continuing to provide high-quality education. He stated much work has gone into this idea, but it comes down to three priority initiatives: 1) Develop a stronger business-university system to create partnerships for work force training; 2) remove barriers to access to post secondary education; and 3) expand distance learning training.

{Tape: 1; Side: B; Approx. Time Counter: 2.3 - 12.5}

THREE INITIATIVES

DISTANCE LEARNING INITIATIVE

Mr. Gibson said in a state as big as Montana we need a world-class distance learning program. He described this program to the Subcommittee. He explained the benefits of this program and what it can do for the State of Montana. He recommended having someone at the Commissioner of Higher Education office working full-time on creating distance learning programs and developing a one-stop gateway for distance learning. He talked about the financial needs of initiating these programs. He provided some statistics on what this would entail. He also stated how this funding would be utilized for resources and staff.

PUBLIC COMMENT ON DISTANCE LEARNING

Richard Owen, Montana Grain Growers Association, said that distance learning education provides half of their staffing resources. He also stated that there seems to be a divide between rural and urban areas. They would like to keep the training sources in Montana if possible. However, they do want to have the best possible training. He added that reaching into rural Montana via distance learning programs would be beneficial given the move into the technology age.

David Oberembt, Montana State University, stated that as a working student, on-line classes help in setting schedules around work. He attested that students perceive on-line classes as a vital component to their education rather than an addition. He provided an example of looking for on-line classes and the difficult task of registering for it. He commented that distance learning is not simply a problem at Montana State University, but all over the State. He thanked the Subcommittee for their time and added that he would be available for any questions they might have.

{Tape: 1; Side: B; Approx. Time Counter: 12.6 - 22.2}

QUESTIONS FROM SUBCOMMITTEE ON DISTANCE LEARNING

SEN. JOHN ESP asked if credits from distance learning would be transferable. **Dave Gibson** said it would be a multiple-step process. He explained the process to have credits transferred. At first the credits might not transfer, but within a year or two, they would be transferable.

REP. CAROL JUNEAU asked if it would be less expensive to get a degree on-line, and if both two-year and four-year degrees would be available. She wondered if there would be vocational education available on-line. She also inquired about reduced costs for tuition in regard to distance learning. **Dave Gibson** said it would cover both two and four-year degrees, and as far as the cost it would vary. The biggest advantage of distance learning is that individuals can take courses even if they are not available at the campus. **REP. JUNEAU** asked the same question to the student regent. **Kayla French** said students could save money by living at home, and for some people, distance learning would be the only option available to them if they live in remote parts of the state.

REP. VERDELL JACKSON asked about how the system of on-line classes is working. **Dave Gibson** said distance learning is different from classroom learning. He explained some ways in which they differ; an IT coordinator would help the system work better. **REP. VERDELL JACKSON** wondered how an IT coordinator would help this process. He inquired what their duties would entail. **Dave Gibson** explained how this coordinator would aid in the success of distance learning. **REP. JACKSON** agreed that this position would be helpful.

{Tape: 2; Side: A; Approx. Time Counter: 1.1 - 6.5}

SEN. DON RYAN attended a meeting in December before the session started. He reiterated that he had asked several students if they would be interested in an on-line course given the same material would be provided. They all responded they would rather be in a classroom. He questioned if this is the direction to go. **Commissioner Stearns** said some things are better face-to-face in a classroom situation, but an on-line degree is better than no degree at all. **CHAIR FRANKLIN** discussed distanced learning and pointed out that there are a whole different set of skills needed for this type of learning. She wondered if this had been a topic of discussion. **Commissioner Stearns** claimed that they have discussed this issue.

Alan Peura, Legislative Fiscal Division, clarified what the allocated money would actually do for this program.

**WORKFORCE INITIATIVE
DEVELOP STRONGER BUSINESS-UNIVERSITY SYSTEM**

Dave Gibson said there is not a good relationship between business and the University System at this time. He stated this would be especially good in the two-year colleges in Montana because increasing enrollment in two-year colleges is an important part of getting students into the higher education system. He said the goal is to increase the opportunities for people to get into the higher education system by stream-lining the organizational structure and curriculum at the colleges of technology. He would like to see the curriculum for the two-year programs designed for jobs that are already available.

{Tape: 2; Side: A; Approx. Time Counter: 17.5 - 23.9}

Michelle Hood, CEO, St. Vincent Healthcare, explained what she does at the hospital and described their situation. She stated that the key to success in the delivery of healthcare is to train and retain workers. She said the healthcare system is looking at significant shortages now and in the future. She believes business needs a strong connection with academic institutions to look at improving the workforce. She provided information related to the kind of work they are doing to try and cut back on these anticipated shortages.

Dick Brown, Montana Healthcare Association, introduced himself and provided some background information on work that he has done in this area. He attested that healthcare is a huge industry in the State and jobs in healthcare typically require a two- to four-year education. He said there is currently a healthcare worker shortage, and he thinks education needs to be responsive to the workforce needs of Montana. He reiterated several areas of employment that are enduring worker shortages. He explained why this workforce initiative would be so beneficial.

{Tape: 2; Side: B; Approx. Time Counter: 0.1 - 3.8}

SEN. ESP asked about workforce training in regard to coding and accounting in hospitals.

Michelle Hood stated that there are many workers behind the scenes of everything. They are working on training programs for those individuals working in the coding area. She explained some situations in which these individuals are working from remote areas, rather than directly at the hospital.

Dave Gibson added that there are currently good jobs in Montana if we could just get the people trained.

REP. CAROL JUNEAU asked how the shared workforce committees were working with the Workforce Investment Board.

Dave Gibson said \$600,000 is available through the Workforce Investment Board. Governor Martz spent all of that money for training workers for jobs that already existed in Montana.

REP. JUNEAU asked for a response from Alan Peura.

Mr. Peura provided information regarding funding for the workforce initiative.

Arlene Parisot, Office of the Commissioner of Higher Education, provided information regarding Perkins loans and a Perkins Program. She described their partnership with workforce programs.

REP. JUNEAU added that it is a good idea for the Subcommittee to know how funding fits into the overall plans of the program.

ACCESS

REMOVE BARRIERS TO ACCESS FOR POST SECONDARY EDUCATION

Dave Gibson said Montana needs more high-skilled workers with a post-secondary education; and Montana is not doing a very good job training workers, and he thinks cost is the barrier. Montanans pay 40 percent more than other western states for education. The two-year colleges, which should be the low-cost entry, is one of the highest-cost education in the country. He also said there is not a lot of aid programs for people in Montana. He stated the recommendations of the steering committee were: 1) provide need based aid, especially for non-traditional students; 2) provide an alternative loan program; 3) collect better data about the needs; and 4) set up an advisory group to look at the whole picture of education in Montana. He said there is a need for \$1.9 million for need-based aid.

{Tape: 2; Side: B; Approx. Time Counter: 21.6 - 27.7}

PUBLIC COMMENT ON ACCESS INITIATIVE

Bill Jones, a Rancher from Harlowton and a member of the Access Committee, supported need-based aid, and said there is a need to create an easy flow of credits from the college of technology to the four-year colleges.

{Tape: 3; Side: A; Approx. Time Counter: 2.7 - 4.3}

MONTANA UNIVERSITY OVERVIEW

The following sat around the table:

Warren Jones, Chair of Faculty Senate at Montana State University
Geoff Gamble, President, Montana State University

Pam Joehler, Director of Accounting and Budget, Office of the
Commissioner of Higher Education

George Dennison, President, University of Montana, Missoula

Roger Barber, Deputy Commissioner, Office of the Commissioner of
Higher Education

TESTIMONY ON TRANSFERABILITY

Commissioner Stearns handed out a Regents Fact Book, a Regents
Accountability Report, and a Transfer of Credits Audit.

[EXHIBIT\(jeh18a05\)](#)

[EXHIBIT\(jeh18a06\)](#)

[EXHIBIT\(jeh18a07\)](#)

Commissioner Stearns explained several charts in Exhibit 5.

REP. JUNEAU pointed to Page 30 and asked about tuition prices for
undergraduate resident students. She wondered if this includes
fees that students are required to pay.

Commissioner Stearns stated that it does not include mandatory
fees.

REP. JUNEAU inquired if there was a chart within Exhibit #5 that
deals with those figures.

Commissioner Stearns claimed that it is important to see how much
of tuition costs come from fees. However, there is not a chart
in this exhibit with those figures.

REP. JUNEAU added that this is an important part of tuition.

Commissioner Stearns responded by saying that it does kind of
mask the true cost of tuition by leaving these fees out. She
continued discussing the charts in Exhibit 5.

{Tape: 3; Side: A; Approx. Time Counter: 7.5 - 29.7}

Commissioner Stearns said the average loan debt for college
graduates in Montana is \$20,000, while the per capita income in
Montana is \$26,000. She wants there to be more grant programs for

students. She said the average Pell Grant is approximately \$2,300. She also spoke about the Student Assistance Foundation (SAF), which is a non-profit organization. She also mentioned an activity called College Goal Sunday. She explained what this involves.

SEN. ESP asked about Page 34 of Exhibit 5. He wondered what the chart would look like if it was not adjusted for the consumer price index (CPI).

Pam Joehler, Director of Accounting and Budget, OCHE, pointed him to the blue bars on the graph. She explained that those are the figures if they are not adjusted for the CPI.

Commissioner Stearns directed the Subcommittee to Exhibit 6, the Montana Board of Regents' Accountability Report on the Montana University System. She explained the process of putting this together. She walked the Subcommittee through this information and spoke about different portions. She also spoke about Exhibit 7 which deals with the Legislative Audit Division. She asked Roger Barber to say a few words about the audit.

{Tape: 3; Side: B; Approx. Time Counter: 0 - 14.7}

Roger Barber, Deputy Commissioner, OCHE, stated that this report was presented to the Legislative Audit Division on December 22, 2004. He stated that the Legislature suggested they needed to act sooner rather than later in regard to the audit. He discussed the process of the audit. He added that he agreed with the recommendations of the audit. He explained the issue of a timeline and how that affects the audit. He added that this is a first response to the problem of transferability.

Warren Jones, Chair of Faculty Senate, Montana State University, attested that the results of the audit have made it clear this needs to be a team effort. He stated the faculty is eager to begin work on this. He added that in certain areas such as GPA and core general education, they will have some policy recommendations for the legislature.

SEN. ESP claimed that he had the good fortune of working with SEN. JOHNSON last session. He added that SEN. JOHNSON had worked on this issue for several years. It is important that they make this work for the students.

QUESTIONS FROM SUBCOMMITTEE

REP. GLASER expressed concern that legislators seem to receive part of the blame in regard to the transferability of credits. This is a problem that needs a solution.

George Dennison, President, University of Montana, stated that transferability is not just a problem in Montana, but all across the country. He added that the issue of turf which **REP. GLASER** talked about is not the only issue. He said that the Council of Higher Education Accreditations has put forth some effort proposals at the national level. He added that the implementation of policy will move very quickly; the re-authorization process will move quickly.

{Tape: 3; Side: B; Approx. Time Counter: 14.7 - 25.9}

Geoff Gamble, President, Montana State University, stated, "It is time to make something different, it is clear that there have been problems." He is seeing a very serious effort by individuals in higher education. He feels that there is a genuine commitment by everyone involved.

REP. JUNEAU wondered if there was an area in the report that stated how many students have been impacted by this problem.

Commissioner Stearns attested that they used four areas for assessing this. These four areas were: 1) business; 2) education; 3) engineering; and 4) nursing. They proceeded by performing random samples to access this.

Dr. Gamble explained how they are able to utilize the audit and examine these issues.

Mr. Peura commented that they performed some statistically relevant investigations. However, they did not quantify it to specific numbers.

REP. JUNEAU inquired into the issue of transferability in regard to tribal colleges.

Commissioner Stearns directed her to Page 9 where the tribal colleges are included.

REP. WILLIAM GLASER talked about the precious commodity of time which is abused by schools forcing students to retake courses because credits between schools are not easily transferable. It is time to fix this problem.

REP. VERDELL JACKSON talked about the benefit of taking courses while still in high school; making sure that the credits are transferable.

{Tape: 4; Side: A; Approx. Time Counter: 0 - 7.3}

SEN. WILLIAMS asked if this audit was done to attempt to standardize the curriculum. She wondered what was the intention of the audit.

REP. FRANKLIN stated that this issue had been identified. She added that there are both concrete and broad issues that need to be dealt with. The intent was to bring focus to something that has been lingering and requires attention.

REP. WILLIAM GLASER said the audit committee got a lot of feedback from the public about the problem of transferability of credits. He spoke of the need for a process about transferability. He emphasized that it becomes an issue of time for the students when they cannot transfer the credits.

REP. EVE FRANKLIN stated there are two reasons credits do not transfer: 1) idiosyncratic reasons and 2) conceptual/professional reasons. She said one is functional and one is not.

Commissioner Stearns agreed with **REP. FRANKLIN**. She said transferability is one of the highest issues for her and the Board of Regents. She said it will take resources to implement transferability. She admitted that exerting more energy will help also. She reiterated to **REP. GLASER** that she did not intend to blame the legislature for this. She added that individuals in the education community do not attribute blame to the legislature. Ultimately this issue will involve resources.

{Tape: 4; Side: A; Approx. Time Counter: 7.3 - 19.1}

P-20 INITIATIVE (INDIAN EDUCATION FOR ALL)

Commissioner Stearns spoke about the letter sent to **REP. JOAN ANDERSON**. She emphasized the extent to which the Board of Education is dedicated to making significant progress on a seamless life-long educational program as envisioned by the constitution. She said there is a need for greater coherence and a stronger level of connectedness. She walked the Subcommittee through this document at length.

EXHIBIT(jeh18a08)

Renee Dubay, OCHE, explained that P-20 is a new way of doing business whereby the various levels of education work and plan

together with the community. She spoke of the difficulty of coming to a common vision.

[EXHIBIT\(jeh18a09\)](#)

Arlene Parisot, OCHE, works on the P-20 Dual Enrollment Task Force. She talked about the concept of dual enrollment as helping high school students prepare for college. She described what this task force has been doing to assess problems faced with college preparation. She added that there needs to be a balance between the academically-oriented student and the technically-oriented student.

Commissioner Stearns said the Board of Education is making a concerted effort to improve education by working together.

{Tape: 4; Side: B; Approx. Time Counter: 0 - 5.3}

Ellen Swaney, Director, American Indian Minority Achievement, handed out some information about Indian Education for All. She explained the information in detail.

[EXHIBIT\(jeh18a10\)](#)

REP. JUNEAU asked Mr. Roehm for a few comments on Indian Education For All.

Mr. Roehm verbalized to the Subcommittee some history of his life. He reiterated that he believes Indian Education For All is an attempt to combat ignorance in action. It is important to educate people on this unique culture.

{Tape: 4; Side: B; Approx. Time Counter: 5.3 - 16.6}

PUBLIC COMMENT

REP. BIXBY stated she is happy to see that OCHE is focusing on Indian Education For All. She hoped that Indian people will be involved in this process; that is where they will get their expertise.

Commissioner Stearns thanked the Subcommittee for their attention and stated what they would be covering the next day.

{Tape: 4; Side: B; Approx. Time Counter: 16.6 - 21.5}

There were several additional documents which were presented to the Subcommittee. The documents provided were: 1) The Montana University System: An Investment in Montana's Future; 2) A Collection of Essays and Ideas from Montana's GEAR UP Students; 3) an Informational Brochure for PARENTS and STUDENTS in regard

to the Montana University System; 4) a booklet from the Office of the Commissioner of Higher Education Montana University System in regard to Montana Rural Physician Incentive Program; and 5) a document from the Montana University System in regard to Self-Funded Workers' Compensation Program.

[EXHIBIT\(jeh18a11\)](#)

[EXHIBIT\(jeh18a12\)](#)

[EXHIBIT\(jeh18a13\)](#)

[EXHIBIT\(jeh18a14\)](#)

[EXHIBIT\(jeh18a15\)](#)

ADJOURNMENT

Adjournment: 11:45 P.M.

REP. EVE FRANKLIN, Chairman

DIANA WILLIAMS, Secretary

EF/dw

Additional Exhibits:

EXHIBIT ([jeh18aad0.PDF](#))