

MINUTES

**MONTANA SENATE
59th LEGISLATURE - REGULAR SESSION**

JOINT SELECT COMMITTEE ON EDUCATION FUNDING

Call to Order: By **CHAIRMAN DON RYAN**, on March 31, 2005 at 8:10
A.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Don Ryan, Chairman (D)
Rep. Bill E. Glaser (R)
Rep. Holly Raser (D)
Sen. Bob Story Jr. (R)

Members Excused: None.

Members Absent: None.

Staff Present: Connie Erickson, Legislative Branch
Eddy McClure, Legislative Branch
Lois O'Connor, Committee Secretary
Jim Standaert, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Continued discussion on education funding

{Tape: 1; Side: A; Time Counter: 2.6}

Jerry House, Superintendent, Whitefish Public Schools, provided an overview of Montana School Funding: Outside the Box Thinking...Funding Based Upon Space Needs. In addition, he provided copies of Whitefish School District: Space and Cost Comparisons of Task Force Reports for Middle School and design options for Whitefish's Central Middle School. In his overview, **Mr. House** also referred to Idaho's computation of classroom units (See Exhibit #1).

[EXHIBIT\(jes68a01\)](#)

[EXHIBIT\(jes68a02\)](#)

[EXHIBIT\(jes68a03\)](#)

Mr. House asked that Montana make its own system because it has a uniqueness that he would prefer not to lose.

{Tape: 1; Side: A; Time Counter: 26.1}

SEN. ROBERT STORY, SD 30, asked what the Idaho classroom unit was. **Mr. House** said that 40.99 average daily attendance (ADA) is considered one unit per-ANB and has a dollar value. It also has phase-in points along the way for added teachers and aides, etc. **SEN. STORY** asked if Idaho's high school units were more complex or is it units per number of students. **Mr. House** said that the cost per unit is averaged to allow for student spill-over.

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SEN. DON RYAN, SD 10, asked if Idaho's minimum unit was a block grant amount of money or was it an amount of money that covers the cost of the facility, including all things associated with having that number of students. **Mr. House** advised that it was his idea of saying take Idaho's unit concept, add such things as information technology, gifted and talented programs, and special education, etc., and develop a unit in Montana that could address all funding for schools based upon small- and large-school needs. He added that when providing services for special education students, schools typically wait until the second grade to evaluate them. Whitefish uses its response intervention program that takes all of its resources (teachers, administrators, and counseling staff, to name a few) and starts at the kindergarten level. It invests in the child at a very early age so that they are out of the high-cost programs before they hit middle school or high school.

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SEN. RYAN asked if the computation of exceptional education support units could relate to both gifted and talented and special education students. **Mr. House** said, yes, and many of those services are contracted out. **SEN. RYAN** said that larger districts have special needs students that, in order to utilize the professionals that districts have, it may be better to transport the special needs students to one site. The professional could then deal with them at that site rather than spread the professional services out. The Subcommittee will discuss transportation needs in its deliberations.

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Mr. House said that Columbia Falls, Big Fork, Kalispell, Whitefish, and the elementary K-6 and K-8 districts contract services. Whitefish pays \$5,000 a year for services for one student because Whitefish does not have a professional person trained or the space. In addition, some parents want to be reimbursed to take their child to where the child can receive the services.

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Joan Anderson, Office of Public Instruction (OPI), asked how the stair-step system evens out when the funding is on a per-unit basis and there is declining enrollment. **Mr. House** said that a facility is built for a certain enrollment, but as enrollment grows, the system needs to allow for the growth. If there is declining enrollment, schools can use units-of-value to operate the building rather than per-student. The building still needs transportation, food services, and custodians. For example, Whitefish gained 26 new students in its high school but lost 46 students in its middle school. Does that mean that they all came from one class, no. There comes a critical point when the school cannot afford a teacher. Whitefish would report annually to OPI the number of units that are less than the current budget or request more money based upon the number of students enrolled. **Ms. Anderson** asked if Idaho's plan gives districts the opportunity to raise more money locally. **Mr. House** was unsure.

{Tape: 1; Side: B; Time Counter: 11.5}

SEN. STORY asked if Whitefish was going to completely rebuild its middle school or remodel it and was its auditorium considered a school facility or a community facility. **Mr. House** said Whitefish residents decided to keep the historical preservation of Central School. At the same time, it raised \$2.5 million to keep it the auditorium intact. It is using both new construction and

renovation of the old. The auditorium will be considered a school facility but will be widely used by the community.

{Tape: 1; Side: B; Time Counter: 13.9}

SEN. STORY asked if **Mr. House's** concept of building would be community funding with state support. **Mr. House** said, yes, adding that there needs to be adequacy and equity in the system. He said for example, Whitefish wants a building that is special, but Whitefish wants a building that Columbia Falls does not want, or vice versa. There must be local control that determines that if the community raises the funds, it will build a facility that it wants to build. At the same time, there are accreditation standards, standards from OPI, "No Child Left Behind", and many unfunded mandates. He felt that direct state aid (DSA) was needed to assist the local community. The keys are at what level and what is the determining factor. **SEN. STORY** requested **Mr. House's** opinion of the Wyoming approach to school funding. **Mr. House** said if Montana chooses to have a "cookie cutter" approach to schools, where a community has four buildings to choose from, and if the community wants to do something above and beyond that, what are the community's limitations. Why not have four or five architects design five buildings and say choose one building for elementary, one building for high school, etc. That way every school district is not going to hire an architect to design a plan at an exorbitant fee because the state already has the plans. He felt that this concept would be very limiting to local control, and he sees it as a problem. He said that if the state is going to give communities a certain amount of money for a school facility, but the facility has to be built a certain way, it is a very poor system.

{Tape: 1; Side: B; Time Counter: 17.9}

SEN. RYAN felt the state needed some control to participate in building projects that have need. **Mr. House** said that when a community goes through the process to have a facility built and the state and local entities agree, it is a local matter to decide how that facility is built.

REP. RASER said that the unit concept sounds like Montana's present system but costed out. Her concern is still avoiding the drop-off associated with declining enrollment. Even if enrollment declines, schools still have the costs.

{Tape: 1; Side: B; Time Counter: 24.6}

Curt Nichols, MT Taxpayers Association, provided a synopsis of teacher recruitment and retention in Montana.

EXHIBIT(jes68a04)***{Tape: 2; Side: A; Time Counter: 6.9}***

SEN. RYAN asked if other states targeted additional money for teachers, particularly dually-endorsed teachers, in rural and minority districts. **Mr. Nichols** said that some states have targeted money to school needs and shortage areas. However, dually-endorsed teachers are a smaller pool, and he was unaware of any state that targets funding for dually-endorsed teachers for those particular areas.

SEN. RYAN commented about districts filling a teacher position because they have an applicant. The Great Falls District has found that, even though it may have an applicant, it is hiring a teacher that it would normally not hire. The problem is the pool and the quality of the pool of applicants. The quality of the applicant also contributes to the teacher turnover rate. He felt that the state had to increase the teacher pool so that districts have choices. **Mr. Nichols** said that of the 990 teacher positions in 2005, 362 positions were difficult or hard to fill because of the shortage of applicants or no applicants at all. There were several qualified applicants to choose from for the remaining positions.

{Tape: 2; Side: A; Time Counter: 10.7}

Jim Standaert, Legislative Fiscal Division (LFD), asked what accounts for Montana having only a 10% teacher turnover rate versus the other states. **Rod Svee, Superintendent, Billings Public Schools**, said that many teachers have multiple years in the state and cannot afford to leave the retirement system. It is also true in other states. **Mr. House** added that, in other states, as teachers go through accreditation and receive degrees, they fall into a certain salary structure and salary schedule. Washington, for example, has a state salary structure no matter what district a teacher goes to, either small or large district. At the same time, one of the things that hurts Montana in recruitment is the fact that a district may have an applicant with a MA+15 degree and who has taught 27 years, but the collective bargaining agreement has a 7-year maximum to offer them for experience. Since the applicant is not getting paid for experience, why would he or she want to come to a low-paying district when they can go to another state and receive better value.

{Tape: 2; Side: A; Time Counter: 13.2}

SEN. RYAN said that the Subcommittee has discussed the possibility of adjusting the proposed classroom entitlement based upon the expertise level of whom the district hires so the district does not get penalized for hiring a more experienced teacher and are driven toward hiring the least expensive teacher to fit the district's budget. **Mr. House** said that in some cases, there is no choice. A person who has the experience and the credentials will not apply, or if they do apply, they find that the salary is too low and they go elsewhere.

{Tape: 2; Side: A; Time Counter: 15.0}

SEN. STORY said that since the beginning of the 2005 Session, legislators have heard that Montana has a problem because 70% of its teachers are leaving the state. He asked, if Montana is graduating over 1,000 teachers and there are 990 openings, why is it having a problem filling positions. **Mr. Nichols** said that there are 990 openings in Montana and one-half of them are filled by teachers moving within the state, leaving approximately 500 openings for new teachers. There are not enough jobs in the state for all teacher graduates if they decide to stay in Montana.

REP. RASER asked if further information could be found on whether teacher graduates are actually going into the teaching profession or some other profession. **SEN. STORY** said that the university system cannot say where any of their graduates are or what they are doing because they do not have a good tracking system.

{Tape: 2; Side: A; Time Counter: 19.6}

SEN. RYAN asked if data was available that showed the success ratio of the various common techniques used for teacher recruitment. **Mr. Nichols** said that data is available on a number of approaches in a number of states, but it is not consistent from state to state. There is no magic solution to teacher recruitment, and Montana needs to see what works in the state and monitor it.

{Tape: 2; Side: A; Time Counter: 21.6}

SEN. STORY said that the Subcommittee can surmise what the problem is as far as rural areas and reservation schools getting teachers. However, data shows that reservation schools have less of a problem recruiting teachers than rural schools. **Mr. Nichols** said that there is a mixture because some reservation schools are also rural schools.

{Tape: 2; Side: A; Time Counter: 22.8}

REP. RASER said that the state could incorporate some of the strategies it uses to attract rural dentists or doctors. It could support them with their college if they teach or work in a rural area and by placing student teachers in some of those schools.

Mr. Svee added that the Teacher Poor and Career Opportunity programs were excellent teacher placement programs, both of which relied on local recruitment. They had great success getting Native American teachers in the Hardin School System under the programs. He added that the difficulty with the placement programs, particularly in Native American districts, is in secondary because so few secondary teachers are produced. There are some recruitment techniques that have worked, but the federal government has pulled its money from the programs.

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Mr. House said that Montana does not require certificated teachers to be substitutes. Because of its huge need and having substitute teachers pool to take the place of the classroom teacher when he or she leaves, there are very few certified teachers that Whitefish can bring in for \$55 a day. Whitefish is hiring its best substitutes, but when that is done, the pool decreases; and he would rather cut a program than hire someone who will harm the children.

{Tape: 2; Side: B; Time Counter: 6.0}

SEN. STORY asked if Whitefish and Billings hired teachers straight from college. **Mr. House** said that Whitefish hires the best qualified candidate, but the teacher pool is becoming smaller and smaller resulting in less choices. **Mr. Svee** said that Billings hires the best and has hired a number of teachers from out of state. A majority of student teachers teach in Billings which is an advantage because it gives the schools a chance to judge the best candidates. Its difficulty is hiring teachers for secondary.

{Tape: 2; Side: B; Time Counter: 8.5}

Mr. House added that another problem is the elderly age of Montana's teaching and administrative staff and the lack of a quality pool of teachers to replace them. His fear is who is going to take the place of that expertise.

REP. RASER said that the K-12 School Renewal Commission discussed the idea of regions and the regionalization of services. The regions could determine what Montana's schools could do that would help recruit and retain teachers.

{Tape: 2; Side: B; Time Counter: 13.0}

Mary Whittinghill, MT Taxpayers Association, said that the Association is conducting an analysis of average number belonging (ANB) and the cost associated with the districts with declining enrollments in response to the Court's finding that the state should address these specific issues. The Association is putting its emphasis on creating an assessment of what is currently in Montana so that it could be used to help build the new funding formula. She asked if **Mr. Nichols** could address the Subcommittee at a later date on the costs in schools that have increasing and declining enrollments.

Subcommittee members discussed and decided the following: (1) to get information on what applications Montana's teachers are receiving from other states, (2) begin modeling the classroom unit, (3) consider whether the Subcommittee needs legislation or a funding source to get through the summer if it does not finish its work during the session, and (4) discuss the concept with Leadership to see if they will support it.

The Subcommittee will meet April 1, 2005.

ADJOURNMENT

Adjournment: 9:55 A.M.

SEN. DON RYAN, Chairman

LOIS O'CONNOR, Secretary

DR/lo

Additional Exhibits:

EXHIBIT ([jes68aad0.PDF](#))