

MINUTES

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

JOINT SELECT COMMITTEE ON EDUCATION FUNDING

Call to Order: By **CHAIRMAN DON RYAN**, on April 1, 2005 at 8:10
A.M., in Room 102 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
Eddye 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

SEN. DON RYAN, SD 10, said that the Subcommittee needed to narrow its focus on what its final product was going to be. It heard information on the successful school model and asked if there was information available about what the successful school model will look like. **Curt Nichols** said that the MT Taxpayers Association has contracted with **Steve Smith** who formerly worked for the National Conference of State Legislatures (NCSL). **Mr. Smith** is working on a preliminary successful school model analysis that sets criteria for successful and unsuccessful schools in Montana. The analysis will also include financial comparison data.

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Darrell Rud, School Administrators of Montana (SAM), will provided information on nationwide, successful high schools based on data from the National Association of High School Principals.

REP. WILLIAM GLASER, HD 44, wanted the Subcommittee to begin targeting what it thinks its recommendations will be, such as the volatility of average number belonging (ANB) and that a teacher/classroom component could address that volatility. He preferred concentrating on the classroom entitlement because it will be part of the mix for temporary funding.

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SEN. RYAN said that anything the Subcommittee decides will need some type of needs assessment across the state and a tremendous amount of public comment and scrutiny. He reiterated that the Subcommittee's product will not be complete and that it will try to hand over a product to an interim committee as a starting point. **REP. GLASER** said that the Legislature has its eyes on the Subcommittee for short- and long-term school funding recommendations, other than band-aiding and patching the current system. The Subcommittee needs to hand off to an interim committee its best advice as to the direction of the long-term solution. He emphasized working on the classroom component because it will be a significant part of the long-term solution.

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SEN. ROBERT STORY, SD 30, agreed, but added that a costing study needed to be done before anything is passed off. The problem is that the Subcommittee does not have a definition of a basic system of quality education until Governor Schweitzer signs SB 152. The next best thing is to continue doing what the Subcommittee is doing. To date, the Subcommittee has concluded that the classroom entitlement model is the direction that it is taking. He requested that staff go through the eight entitlements

to see if they meet or fit the proposed definition. He also agreed that the classroom was going to be a big component of the funding formula, and the Subcommittee should spend time on that component. He felt the Subcommittee was running out of time to get legislation through the system.

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SEN. RYAN added that an amendment for an appropriation was needed for House Bill No. 2 (HB 2) to hire the experts needed, and he felt that the Legislature wanted to maintain control of the process.

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Dave Puyear, MT Rural Education Association (MREA), encouraged the Subcommittee to consider building in a comprehensive needs assessment process in the interim.

The Subcommittee decided to continue gathering information and working on the teacher/classroom unit, concentrate on getting the funding in HB 2 for the interim committee, prepare a Subcommittee final report for the Legislature, and think about what it wants the make-up of the interim committee to be.

Because of prior commitments, the Subcommittee recessed at 9:00 a.m. It will reconvene upon adjournment of both Houses.

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The Subcommittee reconvened at 3:25 p.m. and continued to discuss the make-up of the proposed interim committee. **Connie Erickson, Legislative Services Division (LSD)**, provided an overview of language creating a quality schools funding task force and its proposed members.

EXHIBIT(jes69a01)

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SEN. STORY provided an amended version of the proposed quality schools funding task force. He said that it changes some of the language and reduces the members of the proposed task force.

EXHIBIT(jes69a02)

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SEN. STORY said that the important thing was the amendment to HB 2 for the funding appropriation. He added that thought should also be given to how the state was going to pay for the plaintiffs' attorney fees.

Following a thorough discussion about the make-up of the interim committee, the Subcommittee decided that the membership of the interim committee be as follows:

- (a) four members of the House, two from each party, appointed by the Speaker of the House,
- (b) four members of the Senate, two from each party, appointed by the President of the Senate; and
- (c) designees from the Board of Public Education, OPI, and the Governor's Office as ex-officio, nonvoting members.

The Subcommittee also decided that the interim committee would by December 1, 2005:

- (1) assess the educational needs of Montana's children;
- (2) determine the costs of a basic system of free quality public elementary and secondary schools;
- (3) determine the state's share of the costs;
- (4) construct a funding formula that equitably distributes the state's share of the costs; and
- (5) on or before October 1, 2005, the interim committee will issue a report on its preliminary findings and recommendations.

It was also the Subcommittee's determination that the interim committee would continue the work of the Joint Select Subcommittee on Education Funding, that it would be attached to the LSD for administrative purposes, and that it would prepare a final Subcommittee report for the Legislature.

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REP. GLASER asked if the December 1, 2005, timeline was amenable to the MT Quality Education Coalition (MQEC). **Jack Copps, MQEC**, said that the October 1, 2005, deadline is an important deadline for the Coalition. He said that whatever legislation is drafted, it needs to include benchmarks and timelines and be prepared in a timely manner so that it can be dealt with prior to 2006. In addition, it was absolutely essential that the Coalition have assurances that the educational needs assessment be legitimate and substantial and that the interim committee will, in fact, rely on the expertise necessary to convince the Coalition that it is legitimate. He said that it was very important that this undertaking be done right the first time. He added that it would also be important to involve professional educators to assist and review the work being done.

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SEN. STORY asked if the language related to costing the basic system was adequate. **Mr. Copps** said that the request for proposal (RFP) should include a consultant with the expertise to make recommendations to the interim committee. **Jim Molloy, Attorney for the Plaintiffs**, said the people that he represents have always been in the lawsuit to help fix things. If there are assurances that the process is bonafide, that the resources are available to conduct the study, and that there is meaningful opportunity within the process for professional educator input, then something may be worked out to surpass the October 1, 2005, deadline. He will provide the Subcommittee with appropriate language.

{Tape: 2; Side: A; Time Counter: 29.3}

SEN. STORY questioned what would happen if the October 1, 2005, deadline was not met. **Mr. Molloy** said that if the October 1, 2005, deadline is passed, it has potential implications for the state's bonding capacity. In terms of compliance with the date, the Court will not, itself, initiate further finding beyond the court case. **Mr. Copps** added that according to the Court's findings, bonds are not protected beyond the October 1, 2005, deadline. It may be wise for the Subcommittee to enter into some type of agreement as to how it will proceed to the December 1, 2005, date.

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The Subcommittee will meet April 4, 2005. At that time, **Greg Petesch, Director of Legal Services, LSD**, will be available for questions and input. Further recommendations may also be needed from Montana's bond counsel.

ADJOURNMENT

Adjournment: 4:30 P.M.

SEN. DON RYAN, Chairman

LOIS O'CONNOR, Secretary

DR/lo

Additional Exhibits:

EXHIBIT ([jes69aad0.PDF](#))