



Quality Schools Interim Committee

59th Montana Legislature

PO BOX 201706
HELENA, MONTANA 59620-1706
(406) 444-3064

HOUSE MEMBERS

MONICA LINDEEN--Chair
WILLIAM GLASER
HOLLY RASER
PAT WAGMAN

SENATE MEMBERS

ROBERT STORY--Vice Chair
DAVE LEWIS
DON RYAN
JON TESTER

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LINDA MCCULLOCH
KIRK MILLER
DAVID EWER

COMMITTEE STAFF

CONNIE ERICKSON, Research Analyst
CHRIS LOHSE, Research Analyst
EDDYE MCCLURE, Staff Attorney
FONG HOM, Secretary

MINUTES

These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time (in hours, minutes, and seconds) that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

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September 8, 2005

Capitol Building, Room 137
Helena, Montana

COMMITTEE MEMBERS PRESENT

REP. MONICA LINDEEN, Chair
SEN. ROBERT STORY, Vice Chair

LINDA MCCULLOCH
KIRK MILLER

SEN. DAVE LEWIS
SEN. DON RYAN

REP. WILLIAM GLASER
REP. HOLLY RASER
REP. PAT WAGMAN

COMMITTEE MEMBERS EXCUSED

SEN. JON TESTER

STAFF PRESENT

CONNIE ERICKSON, Research Analyst
CHRIS LOHSE, Research Analyst
EDDYE MCCLURE, Staff Attorney
FONG HOM, Secretary

Visitors

Visitors' list, Attachment #1.

CALL TO ORDER AND ROLL CALL

- 00:00:03 Chair Lindeen called the meeting to order at 9:03 a.m. Secretary took roll visually. Senator Jon Tester was excused.
- 00:00:54 Eddy McClure gave an overview of today's meeting.

ISSUES AND OPTIONS (Joint Select Committee on Education Funding Report)

Per-student Entitlement by Nancy Hall (OBPP), Chris Lohse (LSD), Madalyn Quinlan (OPI)

- 00:06:27 Madalyn Quinlan, Chief of Staff, OPI, discussed "Entitlements" (**EXHIBIT 1**) which fund schools in a cost-based manner, entitlement versus grant. Ms. Quinlan discussed "Policy Questions Associated with the Per-Student Entitlement" (**EXHIBIT 2**) Questions: Does the Committee want to provide full time funding for full time kindergarten students? Do we want to provide funding for schools that serve students who have not yet graduated and are 19 years of age or older? If the decision is made to move to a per classroom entitlement, does the Committee want to remove the PIR day adjustment on the calculation of ANB and attach it to the cost associated with the Per Classroom Entitlement? Does the Committee want staff or the working group to develop options for providing additional funding to support the efforts of school districts to retain at-risk students? Is three-year averaging a temporary fix? Does the Committee want to base funding allocations on current year enrollment rather than prior year enrollment? Which students are counted and what costs do you want to associate with per student entitlement? How do you want to calculate add-ons?
- 00:28:25 Nancy Hall discussed the School Funding Per-Student Entitlement (**EXHIBIT 3**) matrix.
- Sen. Story asked what the costs per enrollment included, if that was the total budget divided by the number of kids.
- Sen. Ryan asked what Ms. Hall used to get the data numbers.
- Rep. Raser asked if they put into the matrix timber and technology funds.
- Amy Hall explains what they put into the various entitlements.
- 00:39:06 Chris Lohse talked about the document (**EXHIBIT 4**) which provided guidance in crafting a distribution mechanism for at-risk students as provided in SB 152. Mr. Lohse posed three questions to the Committee: Does the Committee prefer a weight to the basic student entitlement or does the Committee prefer granting authority to the Office of Public Instruction? Does the Committee prefer a long term commitment to meeting the needs of at-risk students? Does the Committee

prefer a graduated benefit, recognizing the increased challenges associated with schools and regions of concentrated poverty.

Rep. Raser asked if the at-risk weights are with special education and are those factored out?

Rep. Glasser asked if the ability to get grants is directly tied to the administration of the grant programs, and if these grants are essential to the education of the at-risk students, how do you adjust that with the Constitution?

00:52:25 Sen. Ryan asked when Mr. Lohse used \$44M figure, was that based upon using the same dollar amount on the per ANB that we had before, if other factors are taken out and that number becomes a smaller number, then these weights will differ. Looking at the numbers that Mr. Lohse talked about, all of the federal moneys that go into the different programs for at-risk students and low-income, are these weights in addition to those dollars?

Sen. Lewis asked if Mr. Lohse was suggesting giving a 20% bonus for people identified as at-risk students would address the problem, if there was any comparison to what the impact of having full day kindergarten would be.

Sen. Story said that Mr. Lohse is alluding that the present system puts no money into the at-risk programs. Did Mr. Lohse know if other states have gone to that methodology, did the other states recalibrate the base number assuming that at least some of the dollars they were already spending was going to at-risk and now they are going to put another .25 or another .5 on top of that? How do we determine if any of our state funding is going to deal with at-risk so that we can account for that and use that to build into the factor?

01:00:29 Bruce Messinger expanded on the question on relationship of poverty and funding.

01:02:10 Superintendent McCulloch, going back to Sen. Lewis' question about looking at either the weights or the award of full time kindergarten versus putting money into at-risk, said that many states are either doing award amounts or weighting for at-risks students also pay for full time kindergarten.

01:02:54 Sen. Story asked Nancy Hall questions regarding student entitlement impact aid. He asked if Ms. Hall could redo the matrix because of the effect impact aid would have on the numbers.

01:07:04 Amy Carlson clarified that when they did norm reference of both successful schools versions, neither one included districts with 50% or more Native American students.

01:08:58 Rep. Raser talked about the huge disparities between the costs of various sized schools, which in general, decreases as the school gets larger, can Ms. Hall address that issue?

Rep. Raser asked Mr. Lohse if they could structure an entitlement that has more accountability, and if they choose to accept an additional amount for at-risk students, that they must apply it to some of those programs that they know work.

Discussion about the idea of Rep. Raser between Linda McCulloch, Madalyn Quinlan, Chris Lohse.

01:16:19 Sen. Ryan talked about a programs in Montana that has been successful in closing the Achievement Gap.

01:18:19 At Chair Lindeen's request, Bruce Messinger talked about what the Helena School District is doing to increase the completion rate of high school aged students.

01:20:50 Dr. Miller and Superintendent McCulloch talked about sustainability and assurance of delivery.

01:23:49 Sen. Story and Madalyn Quinlan discuss the policy of 19-year old students and the 3-year average with current funding system.

Sen. Story asked Mr. Lohse about long term commitment to meet the needs of at-risk students.

Rep. Glaser asked how anybody can say that there's Constitutional merit in whether or not to fund local districts depending on whether or not the student is 19 years of age or 18 years of age.

Classroom Entitlement - Amy Carlson (OBPP), Nancy Hall (OBPP), Bruce Messinger (Helena Public Schools), and Jim Standaert (LFD)

01:44:55 Jim Standaert discuss Class Entitlement (**EXHIBIT 5**) and what Class Entitlement means.

01:56:53 Nancy Hall discussed revised draft matrix of Classroom Entitlement (**EXHIBIT 6**) with the change in the third column that is a cost/classroom rather than a cost/enrollee.

01:59:50 Discussion between Jim Standaert, Sen. Story, Sen. Ryan, and Sen. Lewis regarding teachers paid with federal dollars, cost/classroom and cost/teacher.

02:09:30 Supt McCulloch asked that in the model per classroom, where do other teaching staff, such as PE, music, librarians, where do they fit in this model or would that be in the accreditation model?

02:11:41 Rep. Glaser asked if the smallest school district was there because of frugality of the district, or because funding system forces them there, or a combination of the two?

- 02:13:37 Bruce Messinger commented to both the classroom entitlement and per student entitlement, look at the columns of the CRT and the Norm Reference.
- Sen. Ryan asked Dr. Messinger and Ms. Hall if they used Dr. Farrier's buffering when he was talking about staffing at a per 20 and 28 on the accreditation standards in this model? Would the numbers be different if he designed a system that buffered those accreditation standards down?
- 02:18:40 Rep. Raser commented on Ms. Carlson's discussion about the number of teachers and to reiterate what Dr. Messinger said, the number of teachers depend upon the characteristics of the teaching staff.
- 02:20:39 Discussion about whether schools would actually want a policy where they were encouraged to have multi-grade classrooms.
- Dr. Messinger talked about the compelling reasons why multi-aged classrooms would be created in school districts, the Montessori Schools.
- 02:23:09 Eddy McClure asked Nancy Hall about the Professional Judgment box, the first small schools, why there are dashes and no numbers.
- 02:23:48 Sen. Ryan, Dr. Messinger, and Superintendent John McNeil discussed the role of paraprofessionals in their schools and the costs effectiveness of hiring paraprofessionals.
- 02:28:38 Sen. Story asked Ms. Hall asked a question on the charts that stated there are 77 districts in the CRT column and 63 in the Norm. How much overlap is there? Ms. Hall said maybe off the top of her head, about 50%.
- 02:29:35 Sen. Story and Amy Carlson discuss the idea of creating a model that tells them what they actually need and if the Legislature thinks differently, could bump it up 20% to take care of what is needed, dealing with local decisions on more staffing, and deciding how to fix it as opposed to working the model to try and meet the current situation.

PART 2

TAPE 2B

- 00:02:36 Jim Standaert gave a presentation on Accreditation Entitlement.
- 00:05:42 Amy Carlson discussed Accredited Entitlement (**EXHIBIT 7**)
- 00:06:35 Discussion by Sen. Ryan on what the ratio would be according to the accreditation standards, what that ratio would do at the administration level along with the classroom model being a different one.
- 00:03:32 Discussion with Sen. Story on getting numbers off the OPI's reports, what are the costs of some of the programs in the budgeting process, how much of the

administrative salary is with the elementary schools as opposed to with the high schools.

- 00:05:50 Sen. Story: Rep. Raser talked about the first report from Dr. Farrier on superintendents, librarians
- 00:07:50 Discussion on Per Student Entitlement Issue and Policy Questions provided in documents
- 00:09:33 ITEM #1: Full day kindergarten.
Discussion on full day kindergarten; having a morning kindergarten program and an afternoon kindergarten program or having a program similar to first grade; the benefits of having full time kindergarten
- TAPE 3A
- 00:23:26 David Ewer talks about why he thinks the item of full day kindergarten is premature and asks the Committee to hold off on making a decision. Dr. Miller said that this item was one of the recommendations of the School Renewal Commission.
- 00:31:46 Sen. Ryan gave reasons why he thinks the full day kindergarten item is a priority item to talk about.
- 00:34:49 **Motion made to park the kindergarten issue. Motion passed with a nay vote from Rep. Wagman.**
- 00:35:21 ITEM #2: Enrolling and serving students who have not yet graduated and who are 19 years or older.
- 00:35:39 Rep. Glaser said he believes that the Constitution requires providing funding for those kids but would like to hold off on this item. Sen. Ryan would like to address this when addressing the at-risk. Sen. Story discussed why schools should or should not provide education to a 19-year old.
- 00:39:45 Jim Standaert discusses the definition of ANB and classifying entitlements, using same definition for both entitlements. Eddy McClure discusses what the Constitution and Title 20 provides for education of students older than 18. Superintendent McCulloch discusses the issue of economic impact in the state .
- 00:43:12 Rep. Raser considers Item #2 an at-risk category, separate out those who are there for educational reasons and those who are there to participate in sports. Sen. Story discusses doing what the University System does, get four years of education and then don't subsidize.
- 00:50:07 **Sen. Story moved to delete this Item #2 from consideration. Motion passed with Rep. Glaser and Sen. Lewis voting nay.**

- 00:51:58 ITEM #3: Whether to move cost associated with pupil instruction related days, move those from the connection to the per student amount to a per classroom amount and contingent on whether to do a per classroom amount. 187 divided by 180 is the calculation.
- 00:52:26 Discussion on the importance of PIR days and where should it be addressed, in classroom entitlement or pupil entitlement.
- 00:57:18 **Sen. Ryan moved that Item #3 to classroom entitlement as stated. Motion passed with Sen. Lewis and Rep. Glaser voting nay.**
- 00:58:11 ITEM #4: The Working Group develop options for providing additional funding to support the efforts of school districts to retain at-risk students.
- Sen. Story suggested amending the language to take the word "retain" out and put in "address the needs of at-risk students". Rep. Raser wants to make sure that staff is looking at options to include provision for funding for 19-year old or older and at-risk students, phase in full day kindergarten for at-risk communities and ramp up funding.
- 01:01:53 Madalyn Quinlan said that they do have a definition of at-risk in SB 152, what they don't have is a standard practice for schools to use in terms of assessing or determining who is at risk.
- 01:02:37 Rep. Raser asked how to most effectively have staff prepare options for the Committee, have Connie Erickson and Chris Lohse work the policy and not just funding and what the various policy options they have.
- TAPE 3B
- 01:04:57 Madalyn Quinlan suggested that there are proxies they can use to identify at-risk kids in the short term, look at free and reduced lunch counts, look at census data to help assess who is at-risk.
- 01:06:30 **Sen. Story moved to have the staff bring some options in dealing with funding to support school districts to address the needs of at-risk students. Motion passed unanimously.**
- 01:07:49 Chris Lohse discusses whether the Committee prefers a basic student entitlement, some sort of granting authority or a combination of the two, and under what constraints that package should come.
- 01:08:29 Rep. Glaser talked about grants not being constitutional with state money; he supports the Constitution and not grants. Sen. Lewis said he did not support basic student entitlement or grants. David Ewer said his preference is to ask staff to research cost effective targeted means to address at-risk students.
- 01:12:13 Discussion on where the Committee might want to best place resources and the problems of programs that are context specific and dependent upon local control;

grant authority; the question that needs to be asked is does that mandate have money attached to it in the form of a grant or does it have money attached to it that's in the form of an entitlement; look at general entitlement for general at-risk that the resources are not mandated but at local control.

- 01:26:54 **Sen. Lewis moved to ask staff to recommend programs to address the needs of at-risk students that are targeted, cost effective, constitutional, accountable, and successful. Motion passed unanimously.**
- 01:30:41 Chris Lohse discusses the question "Does the committee prefer a long term commitment to meeting the needs of at-risk students?"
- 01:32:37 Discussion on Question No. 5, three-year averaging. Three-year averaging was put in to provide stability for declining enrollment.
- 01:33:27 **Rep. Glaser moved to get rid of 3-year averaging if the Committee develops classroom entitlement funding formula. Motion passed unanimously.**
- 01:34:27 Discussion on Question No. 6, whether to look at current year enrollment reported after the school year had started or look at prior year enrollment to calculate ANB.
- 01:43:56 Sen. Ryan said for planning purposes, should use prior year's budget.
- 01:44:26 Sen. Story discusses an aggressive recovery retrieval program and the option for dealing with that
- TAPE 4A
- 01:45:06 Discussion of 6% enrollment on schools, make sure schools have ability to address needs that will come up that didn't in prior years.
- 01:46:11 Discussion on the issue of current think versus new or old think. Asking staff to look at maybe 6% is not right, it may be a disproportion of costs or have other factors built in, disadvantages between large and small schools.
- 01:48:33 **REP. RASER moved that the staff base final allocations on the prior year funding and come to the Committee with an analysis of current problematic areas, such as the 6% discrepancy in the budget amendments, and other new ideas, such as retrieval programs. Motion passed unanimously.**
- 01:54:07 Discussion on Question No. 7: what costs should be included or associated with the per student entitlement. Calculations now include textbooks, supplies, extracurricular activities, and perhaps assessment. Discussion on assessments and what are extracurricular activities or co-curricular activities and expenditures? Have staff look it over. No vote taken on this question. No need to address No. 8, the distribution mechanisms, add on for special need students, identifying population.

- 02:01:35 Discussion on Question No. 9 moving to per classroom entitlement. Jim Standaert talked about how to count the classrooms, counting actual teachers and paying classroom entitlement based on actual teachers.
- 02:09:25 Sen. Ryan talks about the Legislators' obligation of funding accreditation standards according to the definition and to be able to defend that position in court and where the gifted and talented and the at-risk fits in.
- 02:10:58 Sen. Story talked about the big issue as the buffering issue and make their original calculations based on accreditation standards as they are.
- 02:12:10 Amy Carlson explains what she did in coming up with her calculations based on the definitions of gifted and talented. Eddy McClure reminds everyone that the accreditation standards are the minimum of what has been defined as quality.
- 02:15:52 Rep. Raser discusses the problems of counting current number of grade levels and class size and the need for a formula that funds the number of teachers for the number of students and what the standards are requiring schools to employ.
- 02:27:13 Jim Standaert talked about need to look at the small schools and develop a classroom unit that is different from everybody else's.
- 02:28:47 Rep. Raser discusses two questions: how to count classrooms and how to estimate the costs.
- TAPE 4B
- 02:31:55 Sen. Ryan talked about how important buffering is.
- 02:34:59 David Ewer said that the only attribute that he sees that is helpful for having a classroom entitlement is for small schools and doesn't see a compelling need for classroom entitlements after a certain size.
- 02:40:49 Rep. Wagman said he agrees with David Ewer to aim classroom entitlement to small schools and go to ANB with the larger schools.
- 02:46:21 **Sen. Story made a motion to count classrooms driven by the standards with no buffer. Sen. Ryan made a substitution motion to put buffering in. Substitution motion failed with Sen. Lewis, Sen. Story, Rep. Glaser and Rep. Wagman voting nay; and Rep. Lindeen, Rep. Raser and Sen. Ryan voting aye.**
- 02:52:18 **Motion of Sen. Story to count classroom without buffer passed with Rep. Raser and Sen. Ryan voting no.**
- 02:56:08 Amy Carlson discussed unified districts, whether or not they are officially K-12 or not. Mr. Farrier considered 7th through 12th grade as one group in determining how many teachers were needed to form that.

03:02:23 Rep. Wagman discussed when looking at small schools and talking about consolidating the small districts into K-12 Districts, are the elementary districts purposely keeping their taxes down and underpaying their staff because of that? Do they have taxing ability that they could be raising to increase their salaries?

03:06:28 Rep. Lindeen said the Committee asks that Jim Standaert continue to work on classroom entitlement based on information heard today and also continue looking at other options; i.e., sliding scale option.

03:09:47 Jim Standaert discovered a mistake made by Steve Smith on the total costs of the Professional Judgment model. Tied everything together so it is an interactive file, the document Characteristics of Professional Judgment Schools (**EXHIBIT 8**).

TAPE 5A

PUBLIC COMMENT

03:15:19 ROD SVEE, Superintendent of Billings Schools, said that the most critical point he saw is the charts which showed '04 expenditures. From Rep. Glaser's comments, they are back to talking about averages of expenditures in an inadequate system. Would like to see figures from Dr. Farrier's methodology.

03:20:22 DAVE PUYEAR, Montana Rural Education Association, thanks the Committee for their hard work. Thinks the Committee is a long way from coming up with a new school funding formula in Montana, concerned that as schools are starting to make priorities, set goals and objectives for the district, and allocating the resources they have, urges the Committee to consider some kind of a process or some kind of commitment to Montana schools for the next year. He is also concerned about grants and accountability and some of the comments Superintendent McCulloch has made.

03:24:38 BOB VOGEL, Montana School Boards Association, has concern about accountability piece, should define accountability and flexibility, develop a formula so that districts can look at what their local differences are, and look into free and reduced lunch because it is severely under reported in Montana.

NEXT MEETING DATE

03:29:57 Connie Erickson said next meeting is September 14, 2005. The Working Group will meet Monday at 10 a.m. in Room 137.

ADJOURNMENT

03:31:15 Rep. Lindeen adjourned at 4:42 p.m.