



# 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

### EX OFFICIO MEMBERS

LINDA MCCULLOCH  
KIRK MILLER  
DAVID EWER

### COMMITTEE STAFF

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

## MINUTES

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Committee tapes are on file in the offices of the Legislative Services Division. **Exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.**

June 24, 2005

Capitol Building, Room 172  
Helena, Montana

### COMMITTEE MEMBERS PRESENT by Conference Call

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

LINDA MCCULLOCH  
KIRK MILLER

SEN. DAVE LEWIS  
SEN. DON RYAN  
SEN. JON TESTER

REP. WILLIAM GLASER  
REP. PAT WAGMAN

### COMMITTEE MEMBERS PRESENT

REP. HOLLY RASER  
DAVID EWER

### STAFF PRESENT

CONNIE ERICKSON, Research Analyst  
EDDYE MCCLURE, Staff Attorney  
GREG PETESCH, Director, Legal Services Office

### Visitors

Visitors' list (**Attachment 1**).

## **CALL TO ORDER AND ROLL CALL**

REP. HOLLY RASER, sitting in for Chair Monica Lindeen, called the conference call meeting to order. CONNIE ERICKSON took roll (**Attachment 2**).

SEN. JON TESTER wanted to know to what extent will the group who is doing the analysis on SB 152 deal with salaries and benefits for teachers.

GREG PETESCH read to the Committee, RC Wood's RFP response, found on page 59, Item 4. The response is, "Dr. Robson will also provide a separate report on the costs associated with the attraction and retention of qualified educators and other personnel that examines the issue in a broader context than the advanced statistical method. The report will include information from national studies, data collected from surveys sent to Montana school systems, and interviews with school personnel from across the state." MR. PETESCH said that when we were discussing the University System's proposed contract, Dr. Robson was asked if that was subsumed into that part of the RC Wood proposal. Dr. Robson told us he was not considering the in-depth economic analysis that was being considered in the University System contract in this response, but he meant for this to be a much broader survey and would not include the specific economic analysis that was proposed in University System contract.

SEN. TESTER asked if the economic analysis that RC Wood was talking about included competition with other states in ways that benefit the salaries. MR. PETESCH said that RC Wood's proposal does state that they will consider national studies.

SEN. TESTER said that implies to him that they are not going to seek out information from surrounding states. They may try to get information from rural to urban districts within the state of Montana, but it doesn't indicate to him that they're going to go to Idaho and Wyoming, North and South Dakota, Washington, Oregon, Nevada, to determine what kind of salary and benefit structure they're dealing with. MR. PETESCH said that it was his understanding that their analysis was going to include some broad national data that's already been compiled by some other entity and they were going to review it.

MR. PETESCH said at our last work group we reviewed Dr. Robson's proposed survey form. We had some discussion about it and suggested some specific questions and splitting recruitment and retention items so there will be questions in the Needs Assessment Survey that address compensation.

SEN. BOB STORY said that when we met and hired RC Wood's group, there was some discussion because that particular issue was in their response to the RFP. His recollection was

that they told us that they were not going to do a detailed report.

SUPERINTENDENT LINDA McCULLOCH asked if that was the teacher salary schedule steps and lanes and if that was in the first contract? MR. PETESCH said that our contract with them incorporates the RFP and the RFP response into the contract. Steps and lanes was not discussed in the RFP.

SEN. DON RYAN said, in looking at Dr. Robson's report which talks about the work to be conducted, we will not be setting the salary schedule. That's a local control issue. We will be looking at the overall ability to recruit people for a living wage and a positive professional wage.

REP. HOLLY RASER said that in looking at all the studies that were proposed and talked about in the last meeting, she is concerned that the proposals will not give us the information that is needed and that is a number that is defensible in court that is going to keep teachers here. She does not think that this Committee can do that in the time frame that was given.

DR. KIRK MILLER said that if we need to provide an adequate compensation and benefit package to retain and recruit teachers, what if one of these other studies comes up with information that conflicts with the RC Wood proposal. Dr. Miller doesn't believe we need to go into the length of having another study. We could potentially amend what's already in the RC Wood proposal to get some of the other components that are critical and wouldn't cost as much, then have Dr. Robson and Dr. Farrier add that to the list of things that they're going to do as a potential compromise.

SEN. BOB STORY wanted to take a different tack on this. He thinks that Drs. Robson and Farrier have a lot of work to do in the Needs Assessment and Costs Analysis. That whole issue may or may not reach out into the issue of a recruitment and retention problem, what's causing it, and what do we have to do to solve it. That was a big issue in the court case and he would promote going forward with a fairly comprehensive study. Sen. Story said we have to begin with the two proposals that are relatively workable. His concern is that Drs. Farrier and Robson have plenty of work to do with the tasks that they are contracted to do. We need to come up with the answer to the questions about retention and recruitment and what it will take to deal with that problem, whether it's a global problem or a problem that's in certain areas and certain disciplines.

EDDYE McCLURE said that in the beginning when we were talking about a possibility of adding an addendum to the RC Wood & Associates' proposal, we were told specifically by Steve Smith on behalf of RC Wood that they would not be submitting a proposal. The question in the

Committee was whether they would add an economist to their team; they chose not to do that.

REP. MONICA LINDEEN asked if the current contract that we have with RC Wood will give us the information that we need that relates back to SB 152, and if it doesn't, will the contract with the University fulfill that. MR. PETESCH said that the contract with RC Wood & Associates requires them to do a Needs Assessment and Costs Analysis for SB 152. Compensation is part of that analysis. The analysis that we are asking or considering asking for in this contract is going to be a more in depth focused analysis of teacher recruitment and retention than they were contemplating under the RFP.

SEN. JON TESTER asked Mr. Petesch if he thought that the work that RC Wood will have done, will it give us an adequate base line by which to move forward, or did he think it would be more prudent of us to make an addendum to the RC Wood contract or go with one of the two proposals that were emailed to us from the University? MR. PETESCH said that because he doesn't do the type of data analysis that's involved in this, it's difficult to answer that question. Our contract with RC Wood requires them to do the costs of SB 152. In discussions on this issue in the working group, we were told that because SB 152 requires that it be reviewed and updated periodically, it would in the state's best interests to develop in-state expertise and build baseline data at the depth contemplated by the University contract for future updates.

SEN. TESTER had a discussion with Dave Gibson regarding the proposals that they received. The proposals were nondescript; was that done intentionally so that we could specifically negotiate what we wanted in those proposals? Dave Gibson said that he had a short time line to work with in getting the needed information back, and, having only five working days to do that, had discussions asking for basic qualifications, outlining the work, and how much it would cost.

MS. McCLURE said that the original interagency contract we started with was 11 pages long. We presented that to RC Wood; Dave took a look at it. We had specifically stated what we wanted, how we want you to do it, and the suggestion was, tell us in broad terms what you want without binding our hands as to how we have to do it. So, based on the fact of using University researchers and professionals, we would sit down with them. But if you look at the 11-page contract, there were specific tasks of what kind of analysis, what kind of statistics they had to do, and there's a lot of things in there that are noncompensation questions. We had a whole laundry list of 20 to 40 questions and some of them were what were the barriers, what were the incentives that had nothing to do with salary or compensation as to why people left Montana. Wage and hour things, comparison with other jobs. So it's much broader than just the teaching profession. There's a lot of market statistical data that we are asking this researcher to look at.

SUPT. McCULLOCH asked Dave Gibson if this went far and wide in the Montana University System so that other people had the opportunity to apply if they wanted? Dave Gibson said yes.

REP. RASER said that her biggest concern is the time crunch. It's very important to build future expertise and a body of information, but the time crunch that we're putting on this information is going to limit the usefulness of the data that we actually get. She proposed that at this time, we not accept any of the contracts but instead consider working with the Board of Public Education, the Budget Office and any other group, including Legislative Services, and do an in-depth study taking a year or so, to build up a body of information that all of us can agree has the right time and the right people collecting data.

SEN. TESTER said that we don't have that luxury. He doesn't think it's an arbitrary time imposition that we're putting on ourselves. We have things that we have to do, not only for the school districts but also because there's an impending court case that said you get it done by the first of October or we'll make that decision for you. There are three things here that need to be part of this additional study: benefits, retirement, health. What kind of competition we have between states, surrounding states in particular, that's taking teachers away from the state. Because of the first one, benefits, and then the salary issues, how do teachers compare to teachers, in-state, out-of-state, and what kind of cost it is, rural and urban.

MS. McCLURE said she thinks the question to answer is, how do you want it looked at. Dr. Robson's team is looking at it from school finance; others want to look at the proposal from an economic point of view. What kinds of data you get determines how you look at it. It's not on what data you get, but how is it going to be analyzed.

SEN. STORY said that we need to have a broad analysis, we need to know what other states are paying to teachers with similar experience. A study in three or four months is not going to give us everything that we want but it certainly is going to get us both basic issues that Sen. Tester talked about of teacher salaries and what the competition is for people out there, both in education opportunities or in other careers. That will help determine what the largest cost of this program is and what we'll have to put in the funding for staffing so that you can have teachers out there. Do we have to look at something to deal with the areas where you can't get enough special ed teachers and music teachers and science teachers? Sen. Story did not think we can wait until the fall or until the next legislative session to start because we're going to have 50 to 60% of the costs of the whole educational program depending on what the Needs and Cost Study comes up with and it may not be looking at all these things.

REP. LINDEEN agreed with Sen. Tester and Sen. Story. It seems to her that we need to have

that information and have it sooner than later. If we were to consider Drs. Robson and Farrier's proposal, we would have a serious conversation with them about specifically what is it that they are already collecting for data under that contract, give them more specifics and give them time over the next week to be more specific about what kind of information we want with this other contract, and then move forward.

SUPT. McCULLOCH agreed with Chair Lindeen, that having a contract with Don and Merle would be more efficient since they are doing the whole big contract.

REP. RASER asked Dr. Miller how long did it take for those studies (Who Will Teach Montana's Children) to be contracted. DR. MILLER said it was about a year for "Who Will Teach Montana's Children", and about a year again for the second version, the followup study. Two years were invested with a year in between the two data collection period.

REP. RASER said that what we will get in three months is some good numbers, as far as what teachers are being paid across the state, what are teachers being paid in surrounding states, what are other occupations being paid with similar education. What we will not get is why people are leaving to teach in other states, or are they leaving the profession to other careers for financial reasons or whatever reasons. Her biggest concern is that RC Wood hopes to collect individual data from teachers, data from teachers who have left the state, why they left, and what they are doing presently. Rep. Raser does not believe RC Wood is going to be able to do a quality job of gathering this information in a manner that is quality in the time frame given.

SEN. TESTER said one of the things that he think is inherent in SB 152, is the ongoing analysis. He believes that we need to get the ball rolling as quickly as we can so we can try to get something done.

REP. PAT WAGMAN believed that it is in the best interest of the state and Montanans in general that we collect as much data as possible for decision making. He likes the Stoddard and Young proposal. It has elements in it that Sen. Story and Sen. Tester were looking for as far as comparing wages from state to state and recruitment issues.

SEN. TESTER said that he didn't know what the expectations are on the meeting on Tuesday with these two groups but he thinks if Dr. Stoddard and Dr. Young would come to the meeting, it would be up to the Chair and Vice Chair to determine how much time on the agenda they want to allow. The way the proposal was written and sent, he wasn't going to accept any of them in the form they were in until they could talk about the specifics of what we wanted them to get done.

REP. LINDEEN agreed with Sen. Story and Sen. Tester. It would be to the Committee's advantage to actually have representatives from both proposals there to visit with the Committee.

SUPT. McCULLOCH was in agreement that having both of them there would be a good idea. She will not be at the meeting, but Madalyn Quinlan will be sitting in for her. One concern she had besides the fact that both of the proposals were vague, but in the Stoddard and Young proposal, Dr. Stoddard has done research papers with conclusions on teacher salaries and Ms. McCulloch thinks that is of some concern.

REP. RASER asked Mr. Petesch what is needed at this particular time to fulfill the task of this Committee and what is the depth of information that we need. It seems that the court has already decided that there is a problem with recruiting and retaining teachers. MR. PETESCH said that the court found that what we were doing was not tied to costs in terms of funding. They also found that we hadn't fulfilled the constitutional obligation to define. The District Court made many explicit findings. The Supreme Court told us they agreed with some but not all the District Court findings and we have no way of knowing, based on the opinion written, which of the findings they agree with and which of the findings they didn't agree with. What we know at this point, and that's how we designed the RFP, was that we needed a Needs Assessment and then a Costs Analysis so we can come up with a number which we can tie then to the definition. In terms of which pieces of evidence and which District Court findings were accepted, we are uncertain.

REP. RASER wanted to know that when they crafted the original RFP, that was to find out the costs of implementing SB 152, was she remembering that correctly? MR. PETESCH said the RFP was designed to have the consulting team do the analysis and then provide a recommendation for a funding formula that will be defensible in court. Then determine the total costs of the system and what the state's share will be. We will have to come up with a cost function for compensation because the biggest piece of overall costs is personal services. The material that was proposed under the University contract at the first meeting was a more in-depth economic analysis of both in-state and out-of-state factors that determined what compensation attracts people, which compensation is necessary to retain people, and why people are making choices they are making.

SEN. BILL GLASER said that wages, benefits, health coverage, teachers housing, retirement, is way over 50% of the money that goes into educating children. We can't do a study and analysis and come up with conclusion unless we understand that quite well. We should set aside this until Tuesday and put a significant time on the agenda to understand it. If we have to take

something off the agenda in order to make sure that we give this adequate time, then I would be for that.

REP. RASER said that several people have mentioned that they would like to wait until Tuesday, therefore, discussion will be postponed until Tuesday so that other representatives can be at the meeting to present their proposals.

SEN. STORY said that we need to put it on the agenda after our discussion with RC Wood because then they can present what they are going to do and what they need in this study.

SEN. RYAN agreed with Sen. Story. He is not sure what RC Wood & Associates thinks is their obligation, and we need to ask questions before we hire someone to do something that might be what RC Wood believes is part of their contract.

#### PUBLIC COMMENT

BRUCE MESSINGER suggests that the Committee talk specifically about what the outcomes of this study will be so that as Interim Committee members, you can consider that this will be of value to you to fulfill your obligation.

BOB VOGEL, Montana School Board Association, said he agrees with Dr. Messinger. He is delighted that the Committee is talking about recruitment and retention, which is something that the education community and the school districts have been talking about for a number of years already.

ERIK BURKE, MEA/MFT, thinks that what is going to be required to recruit and retain teachers is the essential element that you are looking for in this study, and therefore, believe that the study should be comprehensive. They urged the Committee to keep focused on the big picture in providing a competitive salary, benefits, and retirement package to our teachers in the state of Montana.

SEN. TESTER wanted to make clear that the Arinofsky proposal was out of consideration and that the Committee agreed.

REP. RASER clarified that we are only seriously considering the Robson/Farrier and the Stoddard/Young proposals.

CHAIR LINDEEN said that based on the conversations she's heard at this meeting, plus other



conversations she's had earlier this morning, she believes we are in agreement that the Arinofsky proposal was probably not going to be considered as a viable proposal.

REP. RASER adjourned the meeting after seeing no further discussion.

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