

## EDITORIAL POLICY

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## EDITORIAL BOARD

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## GUEST COLUMN

## Legislature failed to fund education system again

By ALAN NICHOLSON  
and JOHN C. BOARD

When Andrew Jackson was president (1829-1837), the U. S. Supreme Court issued a ruling with which Jackson vociferously disagreed. In response to that decision, President Jackson stated, "The Supreme Court has made its decision. Now let it (the court) enforce it."

Montana's governor and Legislature have thrown down the same gauntlet to Montana's Supreme Court.

Twice, in 1989 and again in 2004, the Montana Supreme Court has declared that the state of Montana is not meeting its responsibility under the constitution. It states: "The Legislature shall provide a basic system of free quality public elementary and secondary schools. ... It shall fund and distribute in an equitable manner to the school districts the state's share of the cost of the basic elementary and

secondary school system."

Following the Supreme Court's 2004 decision, the Legislature put into law 20-9-309, which included a requirement that the Legislature would "determine the cost" of the defined system by July 1, 2007.

So far as it is possible to tell, there was no attempt by the governor in his budget or the 2007 state Legislature to fund the elements of the state's own definition. Nor is there any discernable effort to meet the state's own legal mandate to determine the cost of its definition by July 1, 2007, or to pay any further attention to this law defining a "quality" education in future funding of public schools.

What the governor asked for in his budget, and what the Legislature approved, was funding for most schools to provide a new all-day kindergarten, one-time funds and ongoing funds for the day-to-day operation of the schools – the so-called foundation system.

These last "day-to-day" ongoing

funds consume the bulk of the money needed to operate schools which were neither adequately nor fairly funded by the state.

In direct defiance of the Supreme Court's ruling, the increases in ongoing state funding over the prior year's spending are woefully inadequate, especially in the second year of the biennium. Local boards cannot continue existing educational programs in the face of rising costs. They cannot make any progress toward improving the quality of their schools.

The executive secretary of the Montana School Boards Association put it well saying, "What we need is a Legislature committed to funding K-12 public education rationally, based on facts, informed perspective and knowledge of consequence." Just attempting to fund the Legislature's own definition of a "quality" system would have been a good start.

In Montana, 22 percent of ninth-graders do not graduate from high

school. Montana ranks below the national average in the percentage of ninth-graders who go on to enter college, and who graduate from college. Of Montana high school graduates who enter college, only 38 percent graduate; the national average is 45 percent and, in some states, it is over 60 percent.

Montana cannot compete for new teachers with our surrounding states. In 1984, Montana ranked 25th in the nation in teacher salaries. Starting in 1985, pay for teachers began its uninterrupted plummet to an historical all-time low of 47th among all states in 2004. In 2007, we were 44th. In 2007, Wyoming's average base teacher salary was \$36,333 while Montana's was \$24,229. This disparity is disgraceful.

The governor and the Legislature argue that the state doesn't have the money to do better. The truth of the matter is that the state has the money. Neither the MEA/MFT nor the 22 teachers/educators in the 2007

Legislature had the fortitude to stand up and fight for spending more of the projected ongoing state revenues on public schools, kids and teachers.

The money is available. What is missing is the will to do what neighboring Wyoming and Idaho have done. Both have made a strong funding commitment to public schools.

Sadly, Montana's leaders and legislators prefer using state funds to buy votes with tax rebates.

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## Adding it up

## A mathematical lesson in student loans

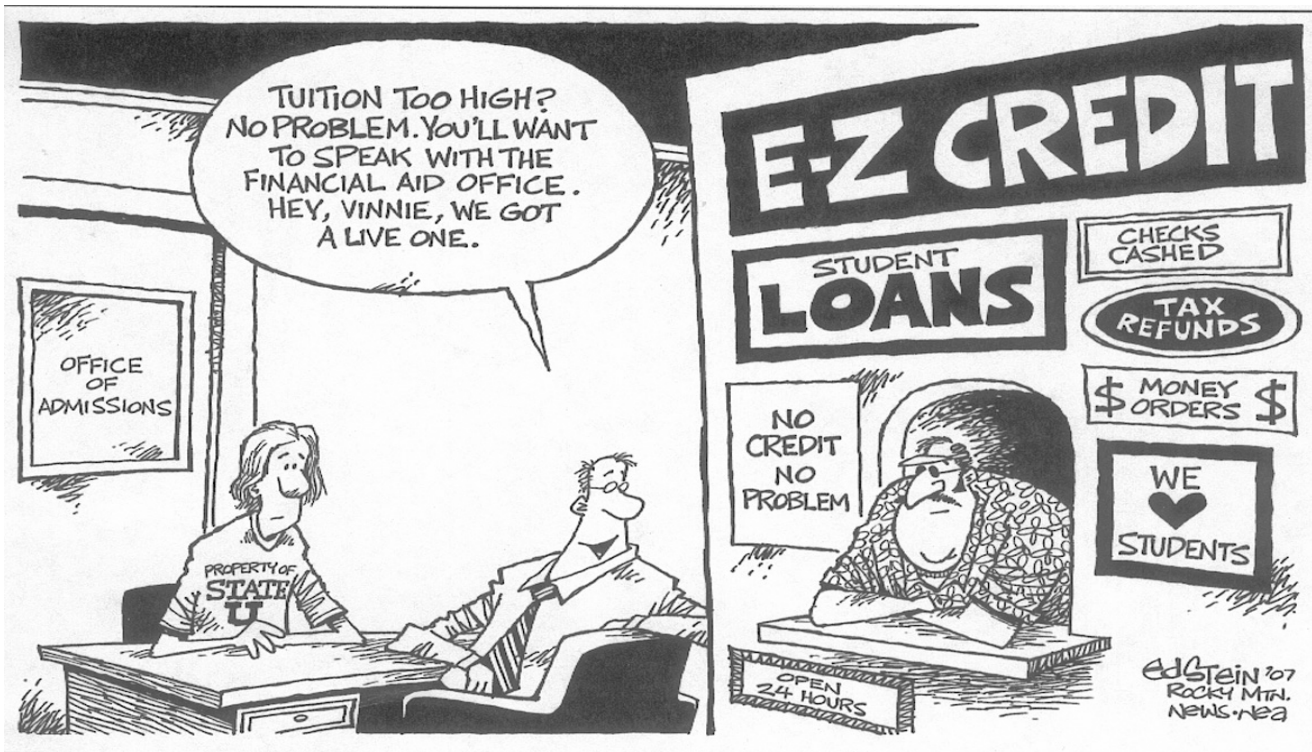
By MADELEINE MAY KUNIN  
New York Times

BURLINGTON, Vt. – The Department of Education's proposed new standards for overseeing student loans – a response to the growing scandal involving kickbacks from lending institutions to university student-aid officials – are a step in the right direction. But the department and the Bush administration could go further in making student loans cheaper, less cumbersome and, most important, not susceptible to corruption.

In fact, the method for achieving this is already on the books: the William D. Ford Federal Direct Loan Program, which omits the middleman and allows the government itself to give loans to students. It needs to be expanded.

Since 1994, the Education Department has given universities a choice between the traditional Federal Family Education Loan Program, under which the government guarantees loans from 3,500 eligible banks and other lenders, and the Ford direct loan system.

This direct loan program was one of the first education initiatives of the Clinton administration; we thought it would save taxpayers money and simplify the lending process for both students and universities. Indeed, as anyone who has ever tried to negotiate his way through the paperwork involved in the traditional loan program will attest, the direct loan system has proved to be one of those rare cases in which the federal bureaucracy is far more streamlined than the private sector.



It also saves taxpayers a lot of money. According to President Bush's 2007 budget, the government will pay a subsidy of 1.7 percent on the dollar value of its direct loans, as opposed to the 7.5 percent it will pay on guaranteed loans by private lenders. (There are many reasons for this disparity – which changes from year to year – including variations in expected loan volumes and the extra monetary rewards needed to attract private lenders to the guaranteed loan program.)

The Office of Management and Budget projects that students and parents will borrow \$76 billion this year from the guaranteed loan program. If all these loans were direct loans, the OMB found,

the Treasury would save nearly \$4.5 billion.

Even if only a small percentage of borrowers moved into the direct loan program, the savings could be enough to provide more grants for needy students. Democratic leaders in the House and Senate have proposed bills to create such a redistribution, and they deserve support.

Unfortunately, direct lending has a troubled history in Congress. Back in the early '90s, lending institutions, which see student loans as easy money, lobbied strongly against creating the direct loan program. It survived only because Democrats tacked it into the 1993 budget

agreement.

Although the law permitted up to 60 percent of American universities and colleges to move to direct lending, the number participating has never topped one-third and it is now down to about 25 percent. Why? When Republicans took control of Congress in 1994, they passed a law that prohibited the Education Department from encouraging or requiring colleges to switch to the direct loan program.

While this might seem a good way to ensure competition, it has not worked in practice. According to a study by the New America Foundation, lenders "profiting from the guarantee system could use their

substantial resources to lure or retain colleges and universities, while the direct loan program was not allowed to make its own case."

This very idea – that banks "lure" universities into doing business – brings us to perhaps the best argument on behalf of direct lending: It eliminates any possibility of corruption, favoritism or abuse. The traditional bank loan program will always depend on volume for its earnings. No matter how many regulations are issued by Washington, there will always be an incentive for lenders to win over financial aid officers by any means possible.

Another advantage of direct lending is that universities do not have to try to sort out which of the thousands of private lenders would be best for their students. With direct loans, the government can ensure the lowest costs for taxpayers and students.

An additional benefit for students (and the nation) is that the direct loan program offers income-contingent loan repayment options, which can lower premiums, and that after 25 years of repayment, loans are forgiven. These features make it easier for debt-ridden students to take lower-paying jobs that serve the public interest without having to worry about defaulting on their loans.

More than ever, achieving the American Dream depends on access to a good, affordable college education. Expanding the direct lending program is a sensible and cost-effective way for Congress and the Education Department to help more of our young people realize it.

*Madeleine May Kunin, a former governor of Vermont, was the deputy secretary of education from 1993 to 1996.*

## Immigration reform full of empty promises from the White House, Congress

With immigration, as with other issues, the most important decision is: Who is to make the decision?

It should be too obvious for words that decisions about who is to come into the United States and live among Americans should be made in the United States by Americans.

In reality, however, for years that decision has been made in Mexico by Mexicans and by others who chose to cross the border from Mexico into the United States with impunity, knowing that even if they were caught, they would at worst be turned back – and could try again.

Many would not even have to face that. They would be released within the United States, with instructions to report back to the authorities for legal proceedings. But why should they be expected to obey that legal requirement when they did not obey the law against crossing the border in

the first place?

None of these facts is news. Nor is it rocket science to figure out what the consequences have been and will be.

Both political parties know what is going on and both parties choose to see no evil, hear no evil and speak no evil. Neither wants to risk losing the Hispanic vote, though it is doubtful whether all Hispanics are in favor of open borders.

The net result has been empty promises about controlling the border, paired with various schemes to legalize the illegal immigrants, and washed down with fraudulent statements that insult our intelligence.

The first of these frauds is the

argument that the economy "needs" illegal immigrants to fill "jobs that Americans won't take." Both parts of this argument ignore the most obvious three-letter word that is left out: Pay.

Virtually any job is a job that Americans will not take, if the pay is low enough. Nor is there any reason for pay to rise if illegal immigrants are available at low pay.

Then there is the "family reunification" fraud which claims that we cannot in good conscience keep out the families of illegal immigrants who are living in the United States but must let those families reunite.

With all the nations on the face of the earth, why is the United States of America the only country in which someone can be united with his family? Illegal immigrants can reunite with their families back where they came from.

The grand fraud of all is the claim that we must have "comprehensive"

immigration reform – that is, simultaneously deal with border control and the legal status of illegal immigrants already here.

There is no logical reason why these two issues must be dealt with together, though there are political reasons why elected officials want to do so. Passing border laws described as "tough" gives Congress political cover when they legalize the illegals.

It allows Congress to be on both sides of the issue, which is where most politicians want to be on most issues.

From the standpoint of the country, however, it is urgently important that the two issues be taken up separately, with border control being proven to be established first.

Otherwise, the American people get promises from politicians with a long track record of broken promises, especially on immigration, while illegal immigrants get their benefits up front and irrevocably for

themselves and for the additional millions more who will cross the border.

Last year, the sop to the American people was the promise of a fence on the border. This year, the big question is: "Where is the fence?"

That will still be the question 10 years from now, if we let the politicians soothe us with words.

The one encouraging aspect of the immigration issue is that the combined efforts of the White House and both Houses of Congress, together with most of the media, have thus far failed to turn the immigration fraud into the law of the land.

It is a disgrace that they have tried, but a healthy sign of the common sense of the people that they have still not succeeded.

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