

HOUSE BILL NO. 589

INTRODUCED BY PECK, NISBET, KIMBERLEY, DRISCOLL, HARPER,
ZOOK, PHILLIPS

IN THE HOUSE

FEBRUARY 4, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON EDUCATION & CULTURAL RESOURCES.

FIRST READING.

FEBRUARY 19, 1991 COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

FEBRUARY 20, 1991 PRINTING REPORT.

FEBRUARY 21, 1991 POSTED ON ALTERNATIVE CONSENT CALENDAR.

FEBRUARY 23, 1991 THIRD READING, PASSED.
AYES, 90; NOES, 8.

TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 25, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON EDUCATION & CULTURAL RESOURCES.

FIRST READING.

MARCH 21, 1991 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

MARCH 23, 1991 SECOND READING, CONCURRED IN.

MARCH 25, 1991 THIRD READING, CONCURRED IN.
AYES, 47; NOES, 1.

RETURNED TO HOUSE.

IN THE HOUSE

MARCH 25, 1991 RECEIVED FROM SENATE.

SENT TO ENROLLING.

MARCH 28, 1991 REPORTED CORRECTLY ENROLLED.

APRIL 1, 1991 SIGNED BY PRESIDENT.

SIGNED BY SPEAKER.

APRIL 1, 1991

DELIVERED TO GOVERNOR.

APRIL 6, 1991

RETURNED FROM GOVERNOR WITH
RECOMMENDED AMENDMENTS.

APRIL 9, 1991

SECOND READING, GOVERNOR'S
AMENDMENTS NOT CONCURRED IN.

IN THE SENATE

APRIL 17, 1991

SECOND READING, GOVERNOR'S
AMENDMENTS CONCURRED IN.

APRIL 19, 1991

THIRD READING, GOVERNOR'S
AMENDMENTS CONCURRED IN.

IN THE HOUSE

APRIL 19, 1991

CONFERENCE COMMITTEE REQUESTED
AND APPOINTED.

IN THE SENATE

APRIL 23, 1991

ON MOTION, CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 24, 1991

CONFERENCE COMMITTEE REPORTED.

APRIL 25, 1991

SECOND READING, CONFERENCE COMMITTEE
REPORT ADOPTED.

IN THE SENATE

APRIL 25, 1991

CONFERENCE COMMITTEE REPORT ADOPTED.

IN THE HOUSE

APRIL 25, 1991

THIRD READING, CONFERENCE COMMITTEE
REPORT ADOPTED.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 589
 2 INTRODUCED BY Rock Nisbet Timberley
 3 Frank Hays Jack Phillips
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE SCHOOL
 5 DISTRICT ACCUMULATED SICK LEAVE RESERVE FUND TO THE
 6 COMPENSATED ABSENCE LIABILITY FUND; TO INCLUDE IN THE FUND
 7 THE ACCUMULATED AMOUNTS OF SICK LEAVE AND VACATION LEAVE FOR
 8 ALL DISTRICT EMPLOYEES; AMENDING SECTION 20-9-512, MCA; AND
 9 PROVIDING AN EFFECTIVE DATE."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Section 20-9-512, MCA, is amended to read:

12 "20-9-512. Reserve-fund-for-payment-of-accumulated-sick
 13 leave Compensated absence liability fund. (1) The trustees
 14 of any a school district may establish a reserve compensated
 15 absence liability fund for the purpose of paying:

16 (a) any accumulated amount of sick leave that a
 17 nonteaching school district employee is entitled to upon
 18 termination of employment with the district in-accordance
 19 with-the-provisions-of-2-18-618; and

20 (b) any accumulated amount of vacation leave that a
 21 school district employee is entitled to upon termination of
 22 employment with the district.

23 (2) Such-a-reserve The compensated absence liability
 24 fund may be used only for the stated purpose of this
 25

1 section.
 2 ~~(2)~~(3) At the end of each school fiscal year, the
 3 trustees may appropriate a portion of the general fund
 4 end-of-the-year cash fund balance to establish such--a
 5 reserve and maintain the compensated absence liability fund.

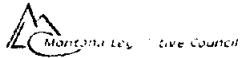
6 ~~(3)~~(4) The maximum amount in a reserve fund established
 7 under the provisions of subsections (1) and ~~(2)~~(3) may not
 8 exceed 30% of:

9 (a) the total school district liability for accumulated
 10 sick leave of nonteaching school district employees on
 11 January-15 June 30 of the preceding school fiscal year; and

12 (b) the total school district liability for accumulated
 13 vacation leave of school district employees on June 30 of
 14 the preceding school fiscal year."

15 NEW SECTION. Section 2. Effective date. [This act] is
 16 effective July 1, 1991.

-End-



INTRODUCED BILL
HB 589

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0589, third reading.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to change the school district accumulated sick leave reserve fund to the compensated absence liability fund; to include in the fund the accumulated amounts of sick leave and vacation leave for all district employees.

ASSUMPTIONS:

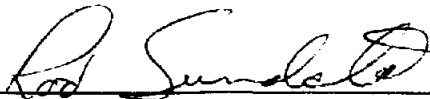
1. The 1990 level of termination vacation payout will be static into the biennium.
2. Districts will phase in the building of reserves to the allowed level over a period of three years as reserves increase from \$800,000 currently to \$3,187,000 by the end of FY94.
3. The ratio of reserves to payout experienced for sick leave (27%) will apply to vacation leave.
4. Actual costs of sick and vacation termination payout will not increase however transfers to the reserve fund will increase temporarily.
5. As funds that would otherwise be available to fund the district permissive are transferred to the reserve fund the cost of state GTB aid is increased by one-third of the amount transferred each year.

FISCAL IMPACT:

The state cost of permissive GTB will increase approximately \$265,000 in FY92 and \$265,000 in FY93 as districts transfer additional funds from the general fund to the compensated absence liability fund.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Districts will increase transfers from general fund to compensated absence liability fund. Some expenditures for accumulated sick and vacation leave will now be paid from compensated absence liability fund rather than general fund.



ROD SUNDSTED, BUDGET DIRECTOR 3-13-91 DATE
Office of Budget and Program Planning

RAY PECK, PRIMARY SPONSOR 3/14/91 DATE
Fiscal Note for HB0589, third reading HB 589-2

APPROVED BY COMM. ON EDUCATION AND CULTURAL RESOURCES

1 *House* BILL NO. *589*
 2 INTRODUCED BY *Rep. Nisbet Timberley*
 3 *Rep. Phil*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE SCHOOL
 5 DISTRICT ACCUMULATED SICK LEAVE RESERVE FUND TO THE
 6 COMPENSATED ABSENCE LIABILITY FUND; TO INCLUDE IN THE FUND
 7 THE ACCUMULATED AMOUNTS OF SICK LEAVE AND VACATION LEAVE FOR
 8 ALL DISTRICT EMPLOYEES; AMENDING SECTION 20-9-512, MCA; AND
 9 PROVIDING AN EFFECTIVE DATE."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 20-9-512, MCA, is amended to read:

13 "20-9-512. Reserve fund for payment of accumulated sick
 14 leave Compensated absence liability fund. (1) The trustees
 15 of any a school district may establish a reserve compensated
 16 absence liability fund for the purpose of paying:

17 (a) any accumulated amount of sick leave that a
 18 nonteaching school district employee is entitled to upon
 19 termination of employment with the district in accordance
 20 with the provisions of 2-18-618; and

21 (b) any accumulated amount of vacation leave that a
 22 school district employee is entitled to upon termination of
 23 employment with the district.

24 (2) Such a reserve The compensated absence liability
 25 fund may be used only for the stated purpose of this

1 section.

2 ~~(2)~~(3) At the end of each school fiscal year, the
 3 trustees may appropriate a portion of the general fund
 4 end-of-the-year cash fund balance to establish ~~such a~~
 5 reserve and maintain the compensated absence liability fund.

6 ~~(3)~~(4) The maximum amount in a reserve fund established
 7 under the provisions of subsections (1) and ~~(2)~~(3) may not
 8 exceed 30% of:

9 (a) the total school district liability for accumulated
 10 sick leave of nonteaching school district employees on
 11 January-15 June 30 of the preceding school fiscal year; and

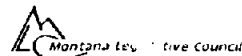
12 (b) the total school district liability for accumulated
 13 vacation leave of school district employees on June 30 of
 14 the preceding school fiscal year."

15 NEW SECTION. Section 2. Effective date. [This act] is
 16 effective July 1, 1991.

-End-

SECOND READING

HB 589



1 HOUSE BILL NO. 589
 2 INTRODUCED BY Rep. Nisbet Timberley
 3 Rep. John R. Kelly
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE SCHOOL
 5 DISTRICT ACCUMULATED SICK LEAVE RESERVE FUND TO THE
 6 COMPENSATED ABSENCE LIABILITY FUND; TO INCLUDE IN THE FUND
 7 THE ACCUMULATED AMOUNTS OF SICK LEAVE AND VACATION LEAVE FOR
 8 ALL DISTRICT EMPLOYEES; AMENDING SECTION 20-9-512, MCA; AND
 9 PROVIDING AN EFFECTIVE DATE."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 20-9-512, MCA, is amended to read:

13 "20-9-512. Reserve-fund-for-payment-of-accumulated-sick
 14 leave Compensated absence liability fund. (1) The trustees
 15 of any a school district may establish a reserve compensated
 16 absence liability fund for the purpose of paying:

17 (a) any accumulated amount of sick leave that a
 18 nonteaching school district employee is entitled to upon
 19 termination of employment with the district ~~in-accordance~~
 20 ~~with-the-provisions-of-2-10-610; and~~

21 (b) any accumulated amount of vacation leave that a
 22 school district employee is entitled to upon termination of
 23 employment with the district.

24 (2) ~~Such-a-reserve~~ The compensated absence liability
 25 fund may be used only for the stated purpose of this

1 section.

2 ~~(2)(3)~~ At the end of each school fiscal year, the
 3 trustees may appropriate a portion of the general fund
 4 end-of-the-year cash fund balance to establish ~~such--a~~
 5 reserve and maintain the compensated absence liability fund.

6 ~~(3)(4)~~ The maximum amount in a reserve fund established
 7 under the provisions of subsections (1) and ~~(2)(3)~~ may not
 8 exceed 30% of:

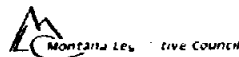
9 (a) the total school district liability for accumulated
 10 sick leave of nonteaching school district employees on
 11 ~~January-15~~ June 30 of the preceding school fiscal year; and

12 (b) the total school district liability for accumulated
 13 vacation leave of school district employees on June 30 of
 14 the preceding school fiscal year."

15 **NEW SECTION. Section 2.** Effective date. [This act] is
 16 effective July 1, 1991.

-End-

THIRD READING
HG 589



HOUSE BILL NO. 589

INTRODUCED BY PECK, NISBET, KIMBERLEY, DRISCOLL, HARPER,
ZOOK, PHILLIPS

A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE SCHOOL DISTRICT ACCUMULATED SICK LEAVE RESERVE FUND TO THE COMPENSATED ABSENCE LIABILITY FUND; TO INCLUDE IN THE FUND THE ACCUMULATED AMOUNTS OF SICK LEAVE AND VACATION LEAVE FOR ALL DISTRICT EMPLOYEES; AMENDING SECTION 20-9-512, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 20-9-512, MCA, is amended to read:

~~"20-9-512. Reserve-fund-for-payment-of-accumulated-sick leave~~ Compensated absence liability fund. (1) The trustees of any a school district may establish a reserve compensated absence liability fund for the purpose of paying:

(a) any accumulated amount of sick leave that a ~~nonteaching~~ school district employee is entitled to upon termination of employment with the district ~~in-accordance with-the-provisions-of-2-18-610; and~~

(b) any accumulated amount of vacation leave that a school district employee is entitled to upon termination of employment with the district.

(2) ~~Such-a-reserve~~ The compensated absence liability

fund may be used only for the stated purpose of this section.

~~(3)~~ (3) At the end of each school fiscal year, the trustees may appropriate a portion of the general fund end-of-the-year cash fund balance to establish ~~such-a~~ reserve and maintain the compensated absence liability fund.

~~(3)~~ (4) The maximum amount in a reserve fund established under the provisions of subsections (1) and ~~(2)~~(3) may not exceed 30% of:

(a) the total school district liability for accumulated sick leave of ~~nonteaching~~ school district employees on ~~January-15~~ June 30 of the preceding school fiscal year; and

(b) the total school district liability for accumulated vacation leave of school district employees on June 30 of the preceding school fiscal year."

NEW SECTION. **Section 2.** Effective date. [This act] is effective July 1, 1991.

-End-



GOVERNOR'S AMENDMENTS TO
HOUSE BILL 589
(REFERENCE COPY, AS AMENDED)
APRIL 5, 1991

1. Title Page 1.
Line 9
Strike: "ALL"
Insert: "NONTEACHING"
2. Page 1, lines 18 and 19.
Following: "sick leave that a"
Insert: "nonteaching"
3. Page 1, line 20.
Following: "district"
Insert: "in accordance with the provisions of 2-18-618"
4. Page 1, line 23.
Following: line 22
Insert: "nonteaching"
5. Page 2, line 11.
Following: "of"
Insert: "nonteaching"
6. Page 2, line 18.
Following: line 17
Insert: "NEW SECTION. Section 3. Termination. [This Act]
terminates July 1, 1993."

Gov. Amend
HB 589

Free Conference Committee
on House Bill 589
Report No. 1, April 24, 1991

4/24/91
3:45 PM
Page 1 of 2

April 24, 1991
Page 2 of 2

Mr. Speaker and Mr. President:

We, your Free Conference Committee met and considered House Bill 589 and recommend that House Bill 589 (reference copy -- salmon) be amended as follows:

1. Title, line 9.
Strike: "ALL"
Insert: "NONTeaching AND ADMINISTRATIVE SCHOOL"
2. Title, line 10.
Following: "DATE"
Insert: "AND A TERMINATION DATE"
3. Page 1, line 19.
Following: "~~nonteaching~~"
Insert: "nonteaching or administrative"
4. Page 1, line 21.
Following: "~~2-18-618~~"
Insert: "in accordance with the provisions of 2-18-618"
5. Page 1, line 23.
Following: line 22
Insert: "nonteaching or administrative"
6. Page 2, line 11.
Following: "~~nonteaching~~"
Insert: "nonteaching and administrative"
7. Page 2, line 14.
Following: "leave of"
Insert: "nonteaching and administrative"
8. Page 2, line 16.
Following: subsection (4) on line 15
Insert: "(5) For the purposes of this section, "administrative school district employee" means a school district employee who is employed in an administrative position and who accrues vacation leave as part of the employee's contract with the school district."
9. Page 2, line 18.
Following: line 17
Insert: "NEW SECTION. Section 3. Termination. [This act] terminates July 1, 1995."

ADOPT

REJECT

And this Free Conference Committee report be adopted.

For the House:

For the Senate:

Ray Peck
Rep. Peck, Chair

Myron Waterman
Sen. Waterman, Chair

Bow Kimberley
Rep. Kimberley

H. Fritz
Sen. Fritz

Norm Zook
Rep. Zook

W. Hammond
Sen. Hammond

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FCCR #1
HB 589

871651CC.HSF

1 HOUSE BILL NO. 589

2 INTRODUCED BY PECK, NISBET, KIMBERLEY, DRISCOLL, HARPER,

3 ZOOK, PHILLIPS

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE SCHOOL
6 DISTRICT ACCUMULATED SICK LEAVE RESERVE FUND TO THE
7 COMPENSATED ABSENCE LIABILITY FUND; TO INCLUDE IN THE FUND
8 THE ACCUMULATED AMOUNTS OF SICK LEAVE AND VACATION LEAVE FOR
9 ALL NONTEACHING AND ADMINISTRATIVE SCHOOL DISTRICT
10 EMPLOYEES; AMENDING SECTION 20-9-512, MCA; AND PROVIDING AN
11 EFFECTIVE DATE AND A TERMINATION DATE."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:14 **Section 1.** Section 20-9-512, MCA, is amended to read:

15 "20-9-512. ~~Reserve-fund-for-payment-of-accumulated-sick~~
16 ~~leave~~ Compensated absence liability fund. (1) The trustees
17 of any a school district may establish a reserve compensated
18 absence liability fund for the purpose of paying:

19 (a) any accumulated amount of sick leave that a
20 nonteaching NONTEACHING OR ADMINISTRATIVE school district
21 employee is entitled to upon termination of employment with
22 the district ~~in-accordance-with-the-provisions--of--2-18-618~~
23 IN ACCORDANCE WITH THE PROVISIONS OF 2-18-618; and

24 (b) any accumulated amount of vacation leave that a
25 NONTEACHING OR ADMINISTRATIVE school district employee is

1 entitled to upon termination of employment with the
2 district.

3 (2) ~~Such-a-reserve~~ The compensated absence liability
4 fund may be used only for the stated purpose of this
5 section.

6 (2)(3) At the end of each school fiscal year, the
7 trustees may appropriate a portion of the general fund
8 end-of-the-year cash fund balance to establish ~~such-a~~
9 reserve and maintain the compensated absence liability fund.

10 (3)(4) The maximum amount in a reserve fund established
11 under the provisions of subsections (1) and (2)(3) may not
12 exceed 30% of:

13 (a) the total school district liability for accumulated
14 sick leave of nonteaching NONTEACHING AND ADMINISTRATIVE
15 school district employees on ~~January--15~~ June 30 of the
16 preceding school fiscal year; and

17 (b) the total school district liability for accumulated
18 vacation leave of NONTEACHING AND ADMINISTRATIVE school
19 district employees on June 30 of the preceding school fiscal
20 year.

21 (5) FOR THE PURPOSES OF THIS SECTION, "ADMINISTRATIVE
22 SCHOOL DISTRICT EMPLOYEE" MEANS A SCHOOL DISTRICT EMPLOYEE
23 WHO IS EMPLOYED IN AN ADMINISTRATIVE POSITION AND WHO
24 ACCRUES VACATION LEAVE AS PART OF THE EMPLOYEE'S CONTRACT
25 WITH THE SCHOOL DISTRICT."

HB 0589/03

1 NEW SECTION. **Section 2.** **Effective date.** [This act] is
2 effective July 1, 1991.

3 NEW SECTION. **SECTION 3.** **TERMINATION.** [THIS ACT]
4 TERMINATES JULY 1, 1995.

-End-