

## EDUCATION COMMITTEE

March 4, 1977

The meeting was called to order at 10:10 a.m., with all members present except Rep. Kennerly, who was absent.

Senate Bill 108 was discussed first. Senator Kolstad, chief sponsor, said the bill allows school trustees to establish depreciation reserve funds for buses used for functions and activities. It will allow 20% of the purchase price to be set aside in the fund each year for 5 years. Mr. Tom Murphy testified in support of the bill, saying unless the bus is used on a regular route it cannot be depreciated out under present laws. Activity buses include music, field trips, drama as well as athletics.

Senate Joint Resolution 11 was discussed next. Senator Mathers, chief sponsor, said the resolution was introduced at the suggestion of Code Commissioner Diana Dowling. There are many laws regarding community colleges scattered throughout the books which need to be recodified. Bill Lannon spoke in support of the resolution.

Senate Bill 17 was discussed next. Senator Blaylock, chief sponsor, had Bob Pyfer explain the bill as it is a recodification bill. Mr. Pyfer distributed a summary of the changes, and then explained several substantive changes in detail. They are changes to Section 8, page 17, lines 10 and 11; Section 10, page 21, lines 8 and 9; Section 14, page 25, lines 5 through 25 and page 26, lines 1 through 12; Section 34, page 53, line 13, and Section 36, page 56. He also suggested amending page 21, line 9 by striking "subsection (2)" and inserting "subsections (2) and (3)". Rae Haas explained the 2 changes she is recommending (attached). Mr. Pyfer agreed with the recommendations.

The foundation program schedules were discussed. Bob Stockton distributed information about actual expenditures by school districts in the last fiscal year (attached). He said his office does not have audit authority over school districts - the Department of Community Affairs has that responsibility. He was asked to supply the committee with a breakdown of noncurrent funds to show why there is such a great increase, Table VIII for the previous year, copies of the special education budget, and another printout to show all salaries. He said 25% of the total amount that the sheets show is all the foundation program actually picks up.

John LaFaver discussed the major concern about school funding; the reason for the great increase in spending last year. Large amount of state funds put in was supposed to reduce local taxes and make for more equalization. It didn't happen. One of the basic thought regarding his recommendation about increasing total public school spending by 7-1/4% annually was that the Legislature would place a ceiling on public school spending to eliminate the chance of even higher locally voted levies. The problem in that is in a school district that is operating on a tight budget to begin with. There

is a variable ceiling proposed, where the higher the maximum general fund without a vote the district has, the lower the ceiling would be. This would help to equalize school funding. For schools operating at 145% of the maximum general fund without a vote amount, the ceiling would be about 5% a year, those at 135-140% would get an increase of 7.5% a year and those below 135% would increase 10% annually. Those operating at around 115% would probably have no ceiling. Within the mechanism that exists there is already an equalization factor. The place where it is really inequitable is where it falls back on voted levies when equalization is not enough. He discussed the figures in the memo from Steve Colberg (attached). His recommendations amount to an increase of 8+% of the maximum general fund without a vote, an increase of about 7.25% of the total general fund spending, or a 9.3% increase in the schedules.

Rep. Gunderson moved to accept Mr. LaFaver's recommendations for the schedules and the ceiling on spending. The motion passed unanimously (Reps. Courtney, Kennerly and Estenson absent and not voting).

There being no further business, the meeting adjourned at 11:50 a.m.

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ANN MARY DUSSAULT, Chairperson