

State of Montana  
46th Legislative Session

EDUCATION COMMITTEE

Minutes of Meeting

A meeting of the Education Committee of the House of Representatives was called to order on Wednesday, January 24, 1979 in Room 5 of the Capitol Annex at 1:30 p.m., by Chairman Peter J. Gilligan, Jr.

The roll was taken. Representative Kvaalen was excused. All other members of the Committee were present.

The purpose of the meeting was to hear House Bills 162 and 217.

Representative Eudaily explained that House Bill 162 is an act to allow school district voted tax levies to be effective for two years. He went on to add that this bill would be optional, saves money, has a business-like approach, saves time for school personnel and has been used and is successful in other states. First, second and third class school districts are using two year teacher negotiating contracts. The number of districts using two year negotiation contracts has increased 400% in the last few years.

Proponents of House Bill 162 were:

Phil Campbell, Montana Education Association, 1232 E. Sixth Ave., Helena, Mt. - "We feel this bill would allow school districts the ability to budget over a two year period which in many cases would cover the second year contract period. This would also allow school districts the ability for long-range planning." (See Exhibit 1)

Leonard Sargent, 501 N. Sanders, Montana School Boards Association, Helena, Mt. - Mr. Sargent stated the MSBA supports this bill for the reasons Representative Eudaily expressed to the Committee. (See Exhibit 2)

Bob Stockton, Administrator, Financial Services Department, Office of Public Instruction, Helena, Mt. - Mr. Stockton told the Committee that the Superintendent of Public Instruction supports this bill.

T.C. Johnson, School Administrators of Montana, Helena, Mt. - "General support by administrators as indicated in prior years testimony regarding the same theme." (See Exhibit 3)

Opponents to House Bill 162 included:

Ed Nelsen, Montana Taxpayers Association, 1706 Ninth Ave., Helena, Mt. - "Such voted levy should not be arrived at through loose and unjustified budgeting procedures. The budget should be soundly documented and that in turn will determine the amount to be raised through a voted levy." (See Exhibit 4)

Representative Eudaily clarified this bill by saying that a levy effective for two years may be proposed by the trustees. This is optional. The last paragraph of the bill, page 4, allows an election to be held in the second year if the trustees feel an additional levy is need.

Representative Pistoria asked why this bill was turned down in the Senate last session. Representative Eudaily responded by saying he was told the Senate turned down this bill last session because they felt voters would get out of the habit of voting each year if they were only asked to pass mill levies once every two years.

Representative Teague asked, "Doesn't it stand to reason that there would be a savings in not having an annual election?" Mr. Nelson discussed the fact that there is a potential savings.

Representative Teague asked Mr. Campbell if his association was negotiating every two years or every year. Mr. Campbell told Representative Teague that the MEA is negotiating every two years because it makes operation smoother. The number of two year contracts has grown substantially in the last two years and is in use in all the large districts.

The hearing on House Bill 162 was closed.

The hearing of House Bill 217 (an act clarifying the audit requirements for third-class school districts that do not maintain a high school, amending sections 2-7-503, and 20-9-203, MCA) began with Rep. Hirsch providing the Committee with statistics relating to the amounts budgeted to school districts in Montana. Of 232 school districts, 104, or 44%, have budgets less than \$25,000 annually. Six percent have budgets between \$50,000 and \$75,000; six percent have budgets between \$75,000 and \$100,000; and 15% have budgets over \$100,000. Very small school districts should not have to pay for an audit if the Department of Community Affairs can't provide the auditors. County Treasures should be able to do the audits in the small school districts which comprise the largest percent of school districts. Requiring audits creates a severe hardship on these small school districts. In Custer County there are several very small rural districts in which these audits cost more than is budgeted for new books. Audits average around \$300. This takes away from the quality of education.

Proponents of House Bill 217 were:

George Pendergast, Administrator, Local Government Services Division, Department of Community Affairs, 1424 9th Ave., Helena, Mt. - Mr. Pendergast reiterated information provided to the committee by Representative Hirsch.

T.C. Johnson, School Administrators of Montana, Helena, Mt. - "Audits are expensive and the indicated districts generally operate with a small budget" Mr. Johnson recommended that on line 22, page 2, the words "County Commissioners be replaced with the words "County Superintendent". (See Exhibit 5)

Theresa I. Love, County Superintendents of Schools, Townsend, Mt. Ms. Love stated, "The treasurer goes over the clerk's book annually and in some communities it's impossible to hire qualified CPA's. The Community Affairs Department does not have enough help to audit even the first-class districts annually." (See Exhibit 6)

Leonard Sargent, Montana School Boards Association, 501 N. Sanders, Helena, Mt. - Mr. Sargent, speaking for the MSBA, requested this bill be amended as follows: line 22, page 2, strike "board of county commissioners" and insert "county superintendent" in place of the stricken language. (See Exhibit 7)

There were no opponents to House Bill 217 present.

Representative Hirsch told the Committee that Senator Bob Brown would carry this bill in the Senate and that he wanted the Committee to know he supports the bill. If an audit is required of these schools, publication in the newspapers is also required which is an additional expense to the districts.

Representative Magone asked what the difference is between first, second and third class districts. Mr. Stockton, OPI, replied classifications are made by population. First class districts must have a population over 6,500; second, between 6,500 and 1,000; and third, below 1,000.

Representative Eudaily asked if the County Superintendents could direct the County Auditor to make these audits. Mr. Nelson explained to the Committee that County Auditors have prescribed duties and the additional work-load might cause problems.

Representative Pistoria asked Mr. Pendergast if his district had requested this legislation. Mr. Pendergast stated his district had not.

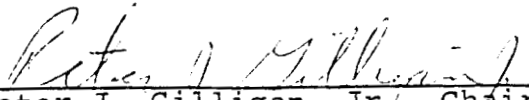
The Hearing was closed and the Committee went into Executive Session on House Bill 132.

Representative Daily made a motion that House Bill 132 do pass. The motion passed unanimously.

Representative Kemmis made a motion to put House Bill 132 on the Consent Calander. The motion passed unanimously.

The meeting adjourned at 2:45.

Respectfully submitted:

  
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Peter J. Gilligan, Jr., Chairman