

MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS COMMITTEE
February 9, 1981

The House Appropriations Committee met in Executive Session at 5 p.m. on February 9, 1981 in Room #104 with Vice Chairman Jack Moore presiding and all members present except Chairman Art Lund, who was excused. Legislative Fiscal Analyst Judy Rippingale was also present.

First order of business was a request by Vice Chairman Moore to table House Bill #366 of which he is the sponsor. Representative Bardanouve moved that House Bill #366 be tabled at this time and it was seconded by Representative Quilici.

Let the record show that it passed unanimously.

HOUSE BILL NO. 610

House Bill No. 610 was introduced by Representative R. L. Anderson, District #16, sponsor of the bill.

REP. DONALDSON moved that House Bill No. 610 DO PASS. However, he said he had an amendment to the bill to present for Representative Nordtvedt of District #77. He said he was only doing it as a courtesy to Rep. Nordtvedt because he was going to speak against the amendment. Rep. Nordtvedt's proposed amendment (EXHIBIT 1) is attached.

REP. NORDTVEDT indicated that he didn't see how House Bill No. 610 in its present form would result in tax relief. He did feel a basic feature of his amendment was that it would show up as a mill reduction at the local level.

REP. HURWITZ said he didn't understand why Rep. Donaldson did not want the amendment.

REP. DONALDSON said it doesn't address the real needs of the school system. It doesn't offer any tax relief at all. House Bill No. 610 responds to our needs. Schools don't want to be capped.

REP. THOFT said he would like to speak for the schools that don't have special levies. The property taxpayer is obligated, and he felt the 25/12% schools can operate without special levies. He said he opposed Rep. Nordtvedt's amendment.

REP. BARDANOUE indicated that he agreed with Rep. Nordtvedt. He didn't understand this bill (H.B.#610) either.

REP. QUILICI said he understood that Butte Public Schools was opposed to this bill and he didn't understand why.

REP. DONALDSON said it was his understanding that Butte may have a significant decline in ANB. If the schools experience either a decline or increase it could go to an extraordinary levy and they did not want to be put in this position.

REP. QUILICI asked if the extraordinary levy was a one-time shot.

REP. DONALDSON said yes, but there need not be the concern that most people have over the extraordinary levy. It was put there as a safeguard but if there is justification for it, the school could go to the public and get it passed.

REP. WALDRON said he has had a number of inquiries on the school foundation program. Some districts have a declining enrollment and the cap will cause serious problems.

REP. DONALDSON explained further that this bill gives you one year to make adjustments. It won't solve the problem of declining enrollments but the bill does plug in enough money to take care of the funding situation caused by declining enrollments.

REP. WALDRON indicated that there are a lot of concerns with the second year biennium.

REP. DONALDSON agreed that if there were a rapidly declining enrollment, they're not going to make it without the extraordinary levy.

REP. WALDRON then asked Rep. Donaldson if there was some way of giving relief on the second year.

REP. DONALDSON said if they can justify it, they would have the extraordinary levy. That is where the control is. He also said that one-half of the districts will meet the cap the second year.

VICE CHAIRMAN MOORE then called for questions from the committee. Let the record show there were none.

VICE CHAIRMAN JACK MOORE then called for a roll call vote on Rep. Nordtvedt's proposed amendment. Representatives Conroy, Donaldson, Ernst, Hemstad, Hurwitz, Lory, Manuel, Moore and Thoft voted NO; Representatives Bardanouve, Bengtson, Cozzens, Quilici, Shontz, and Stobie voted YES, with Rep. Waldron abstaining. Let the record show that the amendment was voted DO NOT PASS.

REP. WALDRON then said that he would like to present a proposed amendment to House Bill No. 610. He asked Rep. Roth, District #10, if she would explain the amendment to the committee. (EXHIBIT 2)

REP. DONALDSON said he felt this amendment defeated the purpose of the original bill in that funding is based on the ANB from the previous year and having the percentages affected by the current ANB would not be realistic. What would happen is that the school with a decline in ANB could vote 4% more levy and the school with no decline in ANB couldn't vote any levy.

VICE CHAIRMAN MOORE then called for questions from the committee. Let the record show there were none.

VICE CHAIRMAN MOORE then called for a roll call vote on Representative Waldron's proposed amendment. Representatives Ernst, Bengtson, Conroy, Cozzens, Donaldson, Hemstad, Hurwitz, Lory, Moore, Shontz and Thoft voting NO; Representatives Bardanouve, Manuel, Stobie and Waldron voting YES. Let the record show that the amendment was voted DO NOT PASS.

VICE CHAIRMAN MOORE then called for a roll call vote on House Bill No. 610 in its entirety.

REP. DONALDSON moved that House Bill \$630 DO PASS. Representative Hurwitz seconded the motion. Let the record show that all members voted AYE with Representatives Bardanouve, Manuel, Quilici, Shontz, Stobie and Waldron voting NO. It was entered into the record that House Bill No. 610 DO PASS.

VICE CHAIRMAN MOORE asked that House Bill No. 611 be brought before the committee and asked for questions.

REP. BARDANOUE asked Rep. Donaldson if this bill is fully funded.

REP. DONALDSON said yes. General Fund appropriation is \$14 million the first year, \$15 - \$16 million the second year. The 75/25 ratio can be changed by the Legislature.

REP. BARDANOUE asked how much general fund are we actually appropriating.

REP. DONALDSON indicated for House Bill No. 610 - \$38 million which includes special education. An approximate 10% increase in schedules (inflationary factor) would increase the general fund about that much. Not reflected is the \$41 million reserve or carry-over which would bring the total to \$79 million for FY'82-FY'83.

REP. BARDANOUE wanted to know why there was such a discrepancy in the figures presented to the committee and the figures arrived at by Curt Nichols, Legislative Fiscal Analyst.

MR. NICHOLS indicated that his figure, \$90 million, projected over FY'82-'83 and FY'84-'85 Bienniums reflected funds for special education and the 10% factor built in.

REP. DONALDSON said they still weren't taking into account the \$41 million reserve or carry-over.

Questions were then called for from the committee. There were none.

VICE CHAIRMAN MOORE then called for a roll call vote on House Bill No. 611 in its entirety. It was moved and seconded that House Bill No. 611 DO PASS. Let the record show that all members voted Aye with Representatives Bardanoue, Shontz and Stobie voting No. It was entered into the record that House Bill No. 611 DO PASS.

The Meeting Adjourned at 5:40 p.m.



Vice Chairman Jack K. Moore

Suggest: Increasing Ad B
 Schedules 12% first year
 and 12% more the next year
and

isual
 Impact { State picks up $\frac{1}{2}$ of
 TRS, PERS, SS, + unemployment
 levy as provided in 20-9-501

~~prop tax is left no cap~~

Proposed amendments to HB 610

1. Page 8, line 2.

Following: "~~budget~~"

Strike: "The"

Insert: "Except for circumstances specified in subsection (3),
the

2. Page 8, line 8.

Following: line 7

Insert: "(3) If a trustee of a district which has experienced a decline in enrollment and a corresponding reduction in its budget determines that the limitations set forth in subsection (2) are too stringent, the limitation may be raised according to the following formula and under the following circumstances:

(a) for an elementary school which experiences a decline in enrollment by over 2%, the 90% limitation imposed in subsection (2) may be increased by one percentage point for each percentage point decline in enrollment below 2%, or, the 25% limitation referred to in subsection (2) may be increased by one percentage point for each percentage point decline in enrollment of the elementary school below 2%.

(b for a high school which experiences a decline in enrollment by over 6%, the 90% limitation imposed in subsection (2) may be increased by one percentage point for each percentage point decline in enrollment of the high school below 6%.

Renumber the subsequent subsections.

3. Page 10, lines 8 and 9.

Following: "circumstances"

Strike: "such as significant changes in enrollment or circumstances"

Insert: "which are"

4. Page 10, line 10.

Following: "trustees"

Insert: "and are"

STANDING COMMITTEE REPORT

February 10, 1931

MR. SPEAKER:

We, your committee on HOUSE APPROPRIATIONS

having had under consideration HOUSE Bill No. 610

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE
MAXIMUM-GENERAL-FUND-BUDGET-WITHOUT-A-VOTED-LEVY LIMITATION
FOR ELEMENTARY SCHOOLS AND HIGH SCHOOLS; TO REVISE THE
ADDITIONAL LEVY PROVISIONS; AND TO PROVIDE FOR AN
EXTRAORDINARY LEVY; AMENDING SECTIONS 20-9-316 THROUGH
20-9-319, AND 20-9-353, MCA."

Respectfully report as follows: That HOUSE Bill No. 610

DO PASS

STANDING COMMITTEE REPORT

February 6, 1931

MR. **SPEAKER:**

We, your committee on **EDUCATION**

having had under consideration **HOUSE** Bill No. **610**

**A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE MAXIMUM-
GENERAL-FUND-BUDGET-WITHOUT-A-VOTED-LEVY LIMITATION FOR
ELEMENTARY SCHOOLS AND HIGH SCHOOLS; TO REVISE THE ADDITIONAL LEVY
PROVISIONS; AND TO PROVIDE FOR AN EXTRAORDINARY LEVY; AMENDING
SECTIONS 20-9-316 THROUGH 20-9-319, AND 20-9-353, MCA."**

Respectfully report as follows: That **HOUSE** Bill No. **610**

introduced copy, be amended as follows:

1. Page 8, line 6.

Following: "budget"

Insert: ", whichever is greater,"

DO PASS AS AMENDED

STANDING COMMITTEE REPORT

February 10, 19 91

MR. SPEAKER:

We, your committee on HOUSE APPROPRIATIONS

having had under consideration HOUSE Bill No. 611

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE FUNDS TO
THE SUPERINTENDENT OF PUBLIC INSTRUCTION FOR PUBLIC SCHOOL
SUPPORT OTHER THAN FOR SPECIAL EDUCATION."

Respectfully report as follows: That HOUSE Bill No. 611

DO PASS