

HOUSE EDUCATION COMMITTEE MINUTES
March 18, 1981

The House Education Committee convened at 12:30 p.m., on March 18, 1981, in Room 129 of the State Capitol, with Chairman Eudaily presiding and all members present except Reps. Donaldson, Kennerly, Meyer and Yardley who were excused.

Chairman Eudaily opened the meeting to a consideration of the following bills:

EXECUTIVE SESSION

HOUSE JOINT RESOLUTION 34 and SENATE JOINT RESOLUTION 22 - Rep. Vincent asked Mr. Lee Heiman if he would indicate to the committee the suggested changes. Mr. Heiman went through the suggested amendments. A copy of those is EXHIBIT 1 of the minutes.

Chairman Eudaily mentioned two sections had been taken from SJR 22 and placed in HJR 34. Rep. Vincent said this was to accommodate the two most relevant sections of SJR 22 and also to include the areas he has suggested. Rep. Anderson had a question about "total" on page 2, line 11, at the hearing and he felt the word could be struck. The revision of the foundation program could be either total or partial.

Rep. Anderson expressed concern about lines 18 and 19 on page 2 as it talks of increasing the basic county mill levy, and in another section we are saying that is one of the major problems we are trying to resolve. He said his concern is the basic county mill levy was 20 mills and it has increased to 40 mills. Now when you look at the whole foundation program a good portion is property tax and this is a signal that we are going to have trouble in future years. We should look at other revenues. Rep. Vincent said he had no objection to striking that subsection. It may have to be considered but would come under alternatives or revisions.

Chairman Eudaily said if the words "total revision" are left it should be broad enough. It would be part of the total foundation program. You could leave out "e" and give them the option of the total foundation program.

Rep. Anderson said there has to be some provision to look at some ways of revision without totally replacing it - (a) speaks to alternatives and I am opposed to that. If we are going to revise some of the earmarked revenues that are coming into the foundation program it is not a total revision. Rep. Vincent said it could be alternatives to or modification of the foundation program. We could strike subsection (b) and (e).

Rep. Anderson said using the property tax formula one mill might generate 57¢ and in another district \$2000, based upon property tax we will continue to have that. He moved to strike lines 18 and 19 on page 2. This motion carried unanimously with those present.

Rep. Vincent moved to amend on page 2, line 10 to insert "or modifications of". Rep. Dussault asked what he envisioned with part (a), was it different ways of financing or structuring the foundation program.

Chairman Eudaily said in Washington they set up a program that determines what they term a basic education. Anything over and above that is up to the local districts. There is a 10 or 15% cap that the school district could go.

Rep. Vincent asked if Rep. Dussault felt it should be all inclusive. He said it seemed to him that financing and structure are so related that when you talk of one you are talking about both.

Rep. Dussault said she didn't like the definitions in a - h. She said she was concerned lest the committee get too many areas to cover and won't get anything done. She suggested striking the WHEREAS on page 1, lines 17 through 20, and inserting the new WHEREAS from SJR 22 suggested on the HJR amendments; and after sub (1) strike all the rest of the language through (2). She said the new language is the heart of the issue and would just as soon have the resolution say that.

Rep. Vincent said he has no real problem with that. The only thing you might want to talk about is whether we should strike 2a - whether we could leave in the laundry list. Do we need it?

Rep. Dussault said she didn't think so. Free and appropriate education to all children. Equalizing funding structure. I think this language would lead you into and be able to do that.

Rep. Vincent said Rep. Dussault is right in regard to modification of the foundation program. Would it be just too broad a study? This committee would delve into modifications. Could you do it or should you do it in an interim study?

Rep. Lory said that's the only way it is going to get done.

Rep. Dussault moved to amend on page 1 by striking lines 17 through 20 and inserting "WHEREAS, legal action is being considered to address and resolve the question of whether or not the school foundation program as currently funded properly meets the mandate for the funding of public education as stipulated in Article 10, sections 1 and 3 of the Montana Constitution."

Further amendment is on page 2, 7 through 24, to strike these lines in their entirety and to insert "to determine whether or not the school foundation program as currently structured and funded properly meets the mandate for the funding of public education as stipulated in Article 10, sections 1 and 3 of the Montana Constitution. The study shall include consideration of ways in which the increasing pressure on local voted levies can be relieved. And then renumber the following subsection.

Rep. Vincent said it simplifies the resolution and focuses it.

Rep. Anderson wondered if the goal of 80% funding should be mentioned. Rep. Hanson said 80% is not equality so the statute addressing that is unconstitutional. Rep. Vincent said he recognizes the concern. The study will have to take a look at that and see if that statute meets the constitutional criteria and so will be first thing done. Rep. Lory said it might suggest knocking off the 80%. Rep. Anderson said maybe it should be pointed out that the funding as stated in Article 10 of the Constitution is to be followed.

Question was called and the motion to adopt Rep. Dussault's amendments passed unanimously with those present.

Rep. Vincent questioned if the two areas from Senator Brown's bill should be looked over for possible inclusion. Mr. Heiman read them and the consensus of the committee was that they would be covered with the bill as amended.

Rep. Dussault moved that HJR 34 AS AMENDED BE PASSED. The motion carried unanimously with those present.

Rep. Dussault moved that SJR 22 be TABLED. This motion carried unanimously with those present.

HOUSE JOINT RESOLUTION 46 - Rep. Williams moved DO PASS. He said there was an amendment that he had proposed at the hearing to be put on page 1, line 18 "WHEREAS, the method of financing postsecondary vocational-technical centers is in need of review; and" Rep. Williams discussed the bill. He said the amendment was an important part of the bill. The laws concerning the centers are fragmented-things have been added on. These laws would be compiled and updated and amendments made. Number one emphasis is to make a study of the finances and hope to come up with a recommendation for the 1981 legislature - formula or some guidelines they can use.

Chairman Eudaily asked if the main thrust is the finances. Rep. Williams said yes and moved the bill DO PASS AS AMENDED.

Chairman Eudaily said he had problems. He couldn't help but see there has to be a connection between governance and finance. Put in the last bill that if they want to negotiate for higher salaries then the school district will have to pick up the tab. This is important as state control is lacking.

Rep. Lory said he thought the governance issue will come up automatically as soon as you start studying finance.

Rep. Williams said in the broad language of HJR 46, they could discuss governance if they want to.

Chairman Eudaily said he dreads the thought of going back over governance. Rep. Lory asked if we could persuade the interim committee to stay out of governance.

The question was called. Chairman Eudaily asked Rep. Williams if he wanted the resolution without the amendment. Rep. Williams said no so the vote was taken on HJR 46 as amended. The motion carried with 7 voting yes (Vincent, Anderson, Azzara, Lory, Hanson, Teague and Williams); 4 voting no (Hannah, Dussault, Andreason, Eudaily); and absent were Reps. Donaldson, Kennerly, Meyer, Yardley, O'Hara and Kitselman.

SENATE BILL 98 - Chairman Eudaily said he was trying to find out the legal status of encumbering a future legislature with a supplement. The sponsor is quite sure he doesn't have a problem. He said rather than act on it and then be sorry it is better to hold the bill and find out.

Chairman Eudaily said they found out that SB 98 does cover both the equalization and permissive funds so it can stand alone.

Rep. Andreason moved to adjourn. Meeting adjourned at 1:50.

Respectfully submitted,



RALPH S. EUDAILY, Chairman

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AMENDMENTS TO HOUSE JOINT RESOLUTION 34

1. Page 1.

Following: line 24

Insert: "WHEREAS, legal action is being considered to address and resolve the question of whether or not the school foundation program as currently funded properly meets the mandate for the funding of public education as stipulated in Article 10, sections 1 and 3 of the Montana Constitution;

2. Page 2, lines 12 through 15.

Following: "(c)"

Strike: the remainder of subsection (c) in its entirety

Insert: "determination of whether or not the school foundation program as currently funded properly meets the mandate for the funding of public education as stipulated in Article 10, sections 1 and 3 of the Montana Constitution;

(d) consideration of ways in which the increasing pressure on local voted levies can be relieved;

Renumber: subsequent subsections

3. Page 2, line 16.

Following: "funding"

Strike: "the"

Insert: "an"