

MINUTES OF THE MEETING  
FINANCE AND CLAIMS COMMITTEE  
MONTANA STATE SENATE

March 26, 1981

The 28th meeting of the Senate Finance and Claims Committee met on the above date in room 108 of the State Capitol. The meeting was called to order by Senator Hims1, Chairman at 9:08 a.m. Roll call was taken with all members present except Senators Smith, Dover, Johnson, Keating and Stimatz.

CONSIDERATION OF HOUSE BILL 442: Representative Quilici House District 84, Butte and the chief sponsor of this bill said this bill makes 3 changes concerning days off for certain public employees. It has no fiscal impact. Under current law employees who did not work on a day that was a Holiday did not get time off. This allows greater flexibility in scheduling the day off. This is legal and does not change public practice. A different method for part time employees. If you are a full time employee and there is a holiday on Tuesday, you must take either that Monday or Wednesday off. Now you can go to the Department head and say I would rather have Friday off and it can be done.

Trish Moore, Administrator of the Personnel Division: We asked Representative Quilici to introduce this bill. The basic changes in the bill are administrative. It does not reflect an increase nor a decrease in employee benefits. It does help some of the institutions have a little more flexibility in scheduling days off, and it can also be scheduled for a better time for the employee.

There were no further proponents, no opponents, and Senator Hims1 asked if there were questions from the committee.

Senator Aklestad: Who makes the final decision? Quilici: I think it would be the bureau chief.

Senator Story: Is there another bill floating around that does this same thing? Quilici: Not to my knowledge.

Senator Story: Was this heard in State Administration? Quilici: Yes it was in House State Administration and then came to Senate Finance and Claims.

Senator Hims1: I had asked for it to come here.

DISPOSITION OF HOUSE BILL 442: Motion by Senator Story that House Bill 442 be concurred in. Voted, passed unanimously by those present. Senator Story to carry the bill.

CONSIDERATION OF HOUSE BILL 500:

Senator Hims1: On House Bill 500 there are other sections under the Education Section that we did not hear from the directors on. They should be heard, since we have been asking the others if they can live within the budget or if any new light has appeared. We took Higher Education and did not hear the others.

Office of Public Instruction: Senator Hims1 said we had ~~a little on this from Superintendent Argenbright~~ which dealt with Special Education.

Maynard Olson, to take the place of Mr. Argenbright said I have requested that you add \$1.2 million to the special Education budget. Gail, Judy or Bob can answer the questions you might have.

Senator Haffey: I don't know. If you could just give us a very clear understanding of the contingency money appropriated in 1979 for special education, how it was used and with your budgeting now and those persons benefitting now, could you continue to provide those services? Judy Johnson: We do have the allocations for the special ed contingency for 1980-81. They will be used there. That is where the money came in. She passed out an exhibit, attached. 404 benefits and we have done the preliminary figures. You have a letter passed out as to how it will be done. The first category will have it. That is about 69% that fell into this. We cut 10% of this. 20% in categories 2 will be pro rated. The \$1.2 million will just move the pro rata up.

Senator Hims1: On page 45 of the blue bill. Is it incorrect that special education was to be \$23,254,921 and \$25,347,864 not \$1.5 million for a contingency fund. I thought that had been agreed upon. Judy Johnson: The original request with 10% increase. \$517,000 in contingency added onto the base. Special Ed had \$21,140,000 plus \$517,000 given to the districts on emergency basis. We asked that be build in before you take the 10% increase. When it came out of sub-committee we had requested and received a different level of funding because the base was different.

Senator Hims1: Are you picking up the total cost of special education and relieving the districts? J. Johnson: No. 82% of the total requested. Hims1: Relationship between --? Johnson: about 10%.

Senator Hims1: In here. The 51% plus = \$52 million in that program. What was it 2 years ago? Johnson: \$48 million.

Senator Hims1: This is a \$4 million increase and you are asking for \$517,000 more per year. You are asking --, Johnson: The over all increase was 6%. We have a 5.8% increase in children.

Senator Hims1: These have been discovered and identified? J. Johnson: Yes. Discovered, identified, and in program.

Senator Regan: Have you got this worked out on a per-child basis. Roughly, what % of cut is being contemplated? J. Johnson: With the current available funding -- with our cuts, it is not all figured, but it will be below the \$2,960 per child regardless of the \$12,990 kids.

Senator Regan: This biennium. What last biennium? J.J.: I don't know, they will have to figure it.

Senator Regan: I understand that in the '81 biennium the \$48 million providing a contingency of about \$500,000 each year. You used it because you had more kids. J. Johnson: Yes, also some Supreme Court placements and 14% of the contingency money was to kids that were moved out of Boulder.

Senator Regan: Should there have been any money that followed them? J. Johnson: It would be nice if we had a trigger method and there were some federal dollars following.

Senator Regan: How much is being triggered in that was not in previously? J. Johnson: Only one school district that has their 619 money.

Senator Regan: You have flow through dollars that are there? I can understand if the kids remain there and the contingency money is used for them and it is now on-going money for the program as you perceive it. I have 2 questions. The cost per child and the other thing is the federal money that is a lag should be showing up in the '81 budget. J. Johnson: The 89313 money. We can't get the school districts to take it. If it is not taken, it stays in the institutions. We encourage them to get it.

Senator Regan: You should just tell them--that is it. If you don't take the \$600 fine. You get \$500 less out of the budget. The federal money is as green as the states. J. Johnson: It is only for one year more.

Senator Regan: What would happen if your department took a rule and the Finance Committee said where monies are available the districts refusing to request them would result in a cut since we won't use the general fund money when federal money is available. J. Johnson: I don't have any problem with it, but we don't have that authority. They do take their 99142 money. It is more. That is only for kids coming out of an institution. One district takes it and that is Butte.

Senator Regan: We should discuss this in executive action, but we should explore with the agencies that some kind of administrative rule will be made about this. Do you feel this way? Why are we using state dollars?

Senator Himsl: Is there any other federal funds? Johnson: There is \$2.4 million in federal 91142 money that is flow through money. That goes directly to the school district.

We have copies of each district Indians.

Senator Himsl: Why is it not shown in the budget as federal funds or other pass through funds? J. Johnson: There is a portion in the budget that says we can't spend more than so many federal dollars. This is good for only one year.

Senator Boylan: We have some smaller school districts with special education that the districts have to pick up. One was 20 or \$30,000 to follow and another \$10,000 and by court order the districts had to pick it up.

Gail Gray, Budget and Data Consultant for Sepecial Education: Any time the court order says to pick it up they come in for funding. We have never turned down a request. They should not have to pay it. The cost of the tuition would come out of the district if the court orders to go to another district. There was a bad one in Flathead, a \$40,000 one and they received the funding for it. During the '79 biennium, the approximate cost was \$2,000. Utilizing the increase in students \$1,555 for the next biennium. They are rough figures.

Senator Himsl: In 1979 the state added \$2,000. J: Increase in the basis of figures in the bill, the per pupil in state funding would be \$1,555. If anything my figures are low. The difference should be there yet. Because of the 7.55% increase in students.

Senator Haffey: Maybe we should be sure we understand them. The 1979 biennium is the one we are in now? Gail: Yes. I took the figures and divided by 12,284. I would be happy to figure this accurately.

Senator Himsl: Give us these figures and an amendment for this proposal.

Senator Nelson: What excuse do the districts give? Gail: Additional paper work and very few students involved. Sometimes only one or two students. They can not have both types of money. If only one or two students, it may not be worth it, plus the institutions have a great need for this money. The money has been utilized at the instutions level. I would think you should check with Mr. South on this.

Senator Nelson: They are using it, but the student isn't there?

Senator Regan: The fiscal analyst could do some research with the Department of Institutions and they can see if this is the correct way to handle these funds or if there is some other way.

Senator Regan: The contingency money, \$100,000 per year in the '83 biennium. You say this is actually committed and will be part of your base in '83, and therefore you need this amended? Gail: The \$573 contingency used last year for contingency must be built in. It is only to be used for one year. We need it.

Senator Himsel: They took the contingency money and built it into the program. Now they need it in the program and therefore need another contingency.

Senator Haffey: Why built in? J. Johnson: The kids are still there.

Senator Haffey: If not done, the \$1 million in 500 for unforeseen emergencies conceivably could be used? J. Johnson: No. That is an emergency basis only. It can only be used once.

Senator Haffey: Your reasoning? Stockton: Those situations continue so the district must budget for them this year. If it is taken out of the base, the local school districts must pick it up.

Senator Regan: How many people do you have to drop off the program because of age or moving away, or whatever? Gail: We have taken that into account. In December of 1978 we had 12,040; Dec 1979 we had 12,284; December of 1980 we had 12,990. They are not the same students. Some left and some entered.

Senator Van Valkenburg: When we talk about taking the contingency money and building it into the base, the bill does not have this in the base. It was taken out in the House Appropriations committee and that is the \$1.2 million we are talking about. J. Johnson: The subcommittee did have it in there, the Appropriations committee took it out.

Senator Aklestad: A lot of the problem came about over what happened in Helena. J. Johnson: In Helena's budget if you read it in the paper, we actually approved a 16% increase over last year on the Highschool, a 3% increase on elementary level. The OPI with priority cut one speech pathologist, one aid and one more position. A lot of that fell into the 2nd priority. We were \$90,000 short of what they requested. That is their choice. We have budget authority, only.

Senator Aklestad: They cut 11 people? J. Johnson: The paper said 7 and 3 Title I. That was federal funding.

Senator Aklestad: Did they just cut teachers to dramatize the situation or what? When the final figure came out they were \$90,000 short of what they requested. On the Highschool a 26% increase, On grade school 26% increase. We did not fund them at that level.

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Senator Aklestad: It is your opinion they could have kept them on line? J. Johnson: I do not know how they are juggling them in the school district. I do know they were \$90,000 short.

Senator Himsl: If this level of budgeting is exercised it will then be up to the districts to decide what to put back in.

Senator Regan: Could you give some sample districts to show the effects? J. Johnson: Yes.

Bob Stockton: We did want to call your attention to the fact that the committee did surpland state general fund dollars with \$100,000 of additional federal funds. In view of what is happening in Washington we are very shakey.

Senator Himsl: \$100,000 for administration of special educational funds? B. Stockton: yes.

Senator Himsl: There are some problems since changing the scheduling. Can we meet tomorrow and go until 9?

Senator Regan: We have some trouble with the Water Quality Bureau. I think we may have to get a memo or have someone come in and talk about it.

Senator Story: There is a bill going to come out of Local Government to amend the \$40,000 for subdivision review fees to \$30. I will move to put it back to \$40 on the floor. If it passes, we will have to make corresponding authority to spend it.

Senator Van Valkenburg: It was amended in the House to \$30. It passed the House in that condition.

Senator Regan: If we do not get the amendment we will have to put general fund in the blue bill. The trade off here we either get it changed back or subsidize it with general fund money. That is the choice.

The meeting was adjourned.

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Senator Himsl, Chairman

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date

3/26/81

NAME	PRESENT	ABSENT	EXCUSED
Senator Etchart	✓		
Senator Story	✓		
Senator Aklestad	✓		
Senator Nelson	✓		
Senator Smith			✓
Senator Dover			✓
Senator Johnson			✓
Senator Keating			✓
Senator Boylan	✓		
Senator Regan	✓		
Senator Thomas	✓		
Senator Stimatz			✓
Senator Van Valkenburg	✓		
Senator Haffey	✓		
Senator Jacobson	✓		
Senator Himsl	✓		

# STANDING COMMITTEE REPORT

March 26

19<sup>31</sup>

MR. PRESIDENT

We, your committee on FINANCE AND CLAIMS

having had under consideration HOUSE Bill No. 442

Respectfully report as follows: That HOUSE Bill No. 442

BE CONCURRED IN

~~DO PASS~~

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## VISITORS' REGISTER

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