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Education and Cultural Resources
March 21, 1983

Irving Dayton, Commissioner of Higher Education, said the Montana Montana loan default rate is low for Montana students compared to the national average. He said the federal law has loopholes and needs to be tightened up. Senator Baucus is currently serving on the Finance Committee and would appreciate an expression of support from Montana.

Larry Weinberg, Assistant Chief Counsel, Montana University System, submitted his testimony in support of the resolutions (exhibit #2).

There being no further proponents and no opponents, the hearing was closed.

HOUSE BILL 221: Representative Hannah, District 67, said the bill was prompted by a call from a constituent who had a flooded basement where school records were stored. He said what to keep and how long to keep it was unclear in the law and needed clarification. The bill would mandate a school district to keep records for five years, after which time they can be destroyed. He presented a list of 1977 guidelines for record retention to the committee (exhibit #3).

PROPONENTS

John Campbell, Montana School Business Managers and Clerks, said his organization would appreciate a clarification and does support the bill.

Dal Curry, Office of Public Instruction, supported the bill but noted a conflict with the five year provision re special education records.

There being no further proponents and no opponents, the hearing was closed.

The Chairman asked the committee attorney to look into the student record provision before action is taken on the bill.

ACTION ON HOUSE JOINT RESOLUTIONS 21 AND 22: Senator Blaylock moved HJR 21 and HJR 22 BE CONCURRED IN. The motion carried unanimously.

HOUSE BILL 105: Senator Elliott presented the bill for Representative Cal Winslow, both having been members of the Coal Tax Oversight Committee which requested the bill. The bill would allocate to the postsecondary vocational-technical centers and adult basic education programs that portion of interest earning now being reinvested in the local impact and education trust fund. He said the percentages can be adjusted so that vocational-technical centers and adult basic education will share on a 50-50 basis.

PROPOSERS

Senator Dave Fuller, District 15, said adult basic education is the bastard child of educational funding. He said the program needs the funding as it has been a neglected area.

Bill Cunneen, Office of Public Instruction, Adult Education Specialist, stated with unemployment problems at their current level over 5000 people a year are returning to the adult basic education program. He emphasized the program is being utilized more and more and is in desperate need of funding.

Pat Lee, Montana Adult Education Association, stated the program currently serves students 16 years of age and older not currently enrolled in public school. They provide skill evaluation, training, and preparing for further advanced training.

Jack Scott, Director of Adult Basic Education, Great Falls, stated the bill is sorely needed and will help them work more closely with Vo-tech centers.

Bob Hand, Director, Adult Basic Education, Flathead Community College, Kalispell, stated support for the bill. He said it would provide a more stable base of funding for A.B.E. programs.

Pat O'Leary, Supervisor, Adult Learning Center, Helena, said A.B.E. is the bridge to continuing employment in Montana. He introduced several students from the Helena program.

Shirley Meyer, a mother of two children, started at the Adult Learning Center in Helena last fall with only a 7th grade education. She has now passed her G.E.D. and is in job training.

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B.J. Kudo, a rehabilitated alcoholic, has passed his G.E.D. and is now working at Fort Harrison in the alcohol treatment program. He said when he entered the adult learning center he was very skeptical but has been very pleased with his training and has been successful in his job.

Douglas Frank received his diploma in 1981 and urged the committee to support the bill as the program has been most helpful to him and is sorely needed by others.

Dave Sexton, Montana Education Association, expressed support for the bill.

Roger Bauer, Director of the Vocational Technical Center in Billings, supported the previous testimony and urged the committee to pass the bill.

There were no further proponents and no opponents to the bill and the hearing was closed.

ACTION ON HOUSE BILL 105: Senator Elliott moved House Bill 105 BE CONCURRED IN. The motion carried unanimously with Senator McCallum absent.

ADJOURN: There being no further business, the meeting adjourned.



Senator Bob Brown, Chairman

jdr

ROLL CALL

EDUCATION AND CULTURAL RESOURCES

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 3/21/83

NAME	PRESENT	ABSENT	EXCUSED
<u>Senator Bob Brown, Chairman</u>	+		
<u>Senator Ed Smith, V. Chairman</u>	X		
<u>Senator Roger Elliott</u>	+		
<u>Senator Delwyn Gage</u>	+		
<u>Senator George McCallum</u>	+		
<u>Senator Elmer Severson</u>	+		
<u>Senator Harry Berg</u>	+		
<u>Senator Chet Blaylock</u>	+		
<u>Senator Jack Haffey</u>	+		
<u>Senator Joseph Mazurek</u>	+		

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Pat Lee	Montana Adult Ed. Assoc	HB 105	✓	
Bill Lunsden	OPI	HB 105	✓	
Bob D. Hand	Montana Adult Ed. Assoc	HB 105	✓	
R. L. Bauer	Bluffs Up-Tech	105	✓	
Jack Hill	Great Falls Sch. Dist #1	105	✓	
Larry Wenberg	Mont. Univ. Sys.	HJR 21, 22	✓	
Shirley Meyer		105	✓	
Pat O'Leary	OPI - Special Services	221	✓	
B. J. Leijala	Helena Schools	105	✓	
Uddabon Dym	Capitol Helena Schools	105		
David Sexton	Board of Public Education	176	✓	
Chip Erdmann	MEA	176	✓	
Pat Shiffels	MSBA	176	X	
Penell Christensen	visitor - Great Falls			
Joanne Finch	OPI	HB 105	✓	
Reggie Schrader	visitor, Great Falls			
Elise Menden	" "			
Pat Fairbanks	Great Falls	HB 105		
WING E. DAYTON	Helena - mt Federation of Teachers	STR 21-22		
Ch. Campbell	MT UNIVERSITY SYSTEM	HJR 21, 22		
Steve Colberg	MASBO	HB 221	✓	
	OPI	HB 221	✓	

TO: The Senate Committee on Education and Cultural Resources

FROM: Lee Heiman, Committee Counsel

DATE: March 21, 1983

RE: Summaries of House Bills 105, 176, and 221, and House
Joint Resolutions 21 and 22

House Bill 105 (Winslow). Provides that 10% of the income from unexpended balances of the local impact and education trust fund go to postsecondary vocational-technical centers and adult basic education rather than be added to the principal of the fund for supporting public schools and the university system.

House Bill 176 (Fabrega). Revises provision on the staff of the Board of Public Education by deleting reference to a professional assistant and adding reference to "other persons" to be included in staffing.

House Bill 221 Hannah). Requires that school records must be kept at least 5 years. Reduces from 25 to 5 years the time financial records must be kept.

House Joint Resolution 21 (Bengtson). A joint resolution urging Congress to amend the bankruptcy act to make it more difficult for persons to discharge student loans in a bankruptcy proceeding.

House Joint Resolution 22 (Bengtson) A joint resolution urging Congress to amend the bankruptcy act to permit withholding transcripts by institutions of higher education until the debt is discharged.

Fully Accredited by Northwest Association of Secondary and Higher Schools

PLENTYWOOD PUBLIC SCHOOLS

SCHOOL DISTRICT NO. 20

Robert Richards, Supt.

PLENTYWOOD, MONTANA
59254

March 16, 1983

Judith Johnson, Assistant Superintendent
Office of Public Instruction
Helena, Montana 59620

Dear Judy:

Enclosed is the tape for presentation to the Educational Forum on Monday, March 21. I am extremely proud of the cooperation and efforts of my staff and students over the past 24 hours toward this project. Our English instructor, Jean Tange, coordinated the tape, our counselor, Carl Dahl, did the filming, and various students all pulled together to produce the tape. For those who view the tape please extend my invitation to visit our school at any time.

Sincerely,



Robert Richards, Supt.

RR:sj

Enclosure

The following students appear in the Plentywood School tape.

Mrs. Noreen Lindell's second grade class

Mr. Art Pearson's Vo-Ag class

Mr. Dan Moe's Physical Education class

Matt Marsh

Jacqui Eckert

Daryl Johnson

Lisa Christensen

Richard Tvedt

Tyler Will

Academic Olympics

Jeff Anderson, Pantomime

Verlaine Stoner, Narrator

The students, faculty and community of Plentywood would like to thank you for the opportunity of presenting our school system to you. The present facility you are viewing was first constructed in 1913. There have been many additions and remodeling projects through the years. The school now consists of grades K-12 with a total of 192 students in grades 9-12 and 413 students in kindergarten through grade 8.

Plentywood High School offers a general curriculum consisting of English, mathematics, social studies, science, and physical education. In keeping up with the technological advancements, Plentywood also offers a computer course. For the students who are interested in farming, auto mechanics, or welding, we offer courses in vocational agriculture. For those students not pursuing a college curriculum they also have the option of taking industrial arts, home economics, or business education classes which include carpentry, drafting, home economics, accounting, and office practice.

Besides academics, Plentywood students compete in many athletic events. Our trophy case exhibits many of the different trophies our athletes, band students and speech and drama students have won over the past years. The Plentywood Wildcats have taken state in football in 1981, in basketball in 1976 and 1978 and track in 1970, 1971, 1972, and 1973.

The students also have a chance to compete in golf and wrestling.

Outside of the classroom and adventuring into educational competition, we have had many students take part in the yearly Academic Olympics sponsored by the Northeast Principals Association. These students compete with other schools in subjects such as math, science, and social studies with Plentywood consistently winning top honors. Some of the students we foresee attending this year are Matt Marsh, Jacqui Eckert, Daryl Johnson, Lisa Christensen, Richard Tvedt, and Tyler Will.

Besides sports, the students also participate in Music Club, FFA, FHA, and Speech and Drama Club.

We would like to take this time to present a pantomime by Jeff Anderson, a senior, who took first at state this year in speech and drama.

This is just one exhibit of the excellence that we feel Plentywood Schools represent. We have a variety of students: some seek the goal of going on to college, others seek the goal of working after high school, and others seek further adventures through travel or serving our country.

We feel that we have produced champions, not only in sports, academics, or in extra-curricular activities, but in our school as a whole: our student body, and our faculty. To us, Plentywood will always be number one!

March 22, 19 83

MR. **PRESIDENT:**We, **the Majority of**
your committee on **Education and Cultural Resources**having had under consideration **House** Bill No. **879****Peck (Brown)**Respectfully report as follows: That **House** Bill No. **879****third reading copy, be amended as follows:****1. Statement of Intent, line 7.****Strike: "eliminate"****Insert: "prohibit"****2. Statement of Intent, line 10.****Strike: "eliminate"****Insert: "prohibit"****3. Statement of Intent, lines 10 and 11.****Following: ":" on line 10****Strike: "public school employment;"****continued****REPAYX**

March 22,

19 83

4. Title, line 14.
Following: line 13
Strike: "ELIMINATE"
Insert: "PROHIBIT"
Strike: "IN PUBLIC SCHOOL EMPLOYMENT,"

5. Page 2, line 1.
Following: "prohibited."
Strike: "Inequality"
Insert: "Sex-based inequality"

6. Page 2, line 2.
Following: line 1
Strike: "afforded women and girls at all levels"
Insert: "at any level"

7. Page 2, line 7.
Following: "state."
Strike: "Violations" through "society." on line 9

8. Page 2, line 14.
Strike: "eliminate"
Insert: "prohibit"

9. Page 2, line 15.
Strike: "eliminate"
Insert: "prohibit"

10. Page 7, line 9.
Strike: "or guideline"



Senator Brown

Senator Smith



Senator Elliott



Senator Gage

Senator McCallum



Senator Severson

And, as so amended, BE NOT CONCURRED IN

STANDING COMMITTEE REPORT

March 22, 1983

MR. **PRESIDENT:**

We, the Minority of **Education and Cultural Resources**

having had under consideration **House** Bill No. **879**

Peck (Berg)

Respectfully report as follows: That **House** Bill No. **879**

third reading copy, be amended as follows:

1. Statement of Intent, line 7.

Strike: "eliminate"

Insert: "prohibit"

2. Statement of Intent, line 10.

Strike: "eliminate"

Insert: "prohibit"

3. Statement of Intent, lines 10 and 11.

Following: ":" on line 10

Strike: "public school employment;"

continued

XXXXXX

4. Title, line 14.

Following: line 13

Strike: "ELIMINATE"

Insert: "PROHIBIT"

Strike: "IN PUBLIC SCHOOL EMPLOYMENT,"

5. Page 2, line 1.

Following: "prohibited."

Strike: "Inequality"

Insert: "Sex-based inequality"

6. Page 2, line 2.

Following: line 1

Strike: "afforded women and girls at all levels"

Insert: "at any level"

7. Page 2, line 7.

Following: "state."

Strike: "Violations" through "society." on line 9

8. Page 2, line 14.

Strike: "eliminate"

Insert: "prohibit"

9. Page 2, line 15.

Strike: "eliminate"

Insert: "prohibit"

10. Page 7, line 9.

Strike: "or guideline"



Senator Berg



Senator Blaylock

Senator Haffey

And, as so amended, BE CONCURRED IN

3/21/83

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

Date MARCH 21, 1983 NAVAJ Bill No. 879 Time _____

NAME	YES	NO
Senator Bob Brown, Chairman	X	
Senator Ed Smith, Vice Chairman	X	
Senator Roger Elliott	X	
Senator Delwyn Gage	X	
Senator George McCallum	X	
Senator Elmer Severson	X	
Senator Harry Berg		X
Senator Chet Blaylock		X
Senator Jack Haffey		X
Senator Joseph Mazurek		X

Jill Bohyans
Secretary JILL BOHYANS

Senator Bob Brown
Chairman SENATOR BOB BROWN *jr*

Motion: by Senator Elliott that House Bill
879 Be not Concurred In As Amended.

(include enough information on motion--put with yellow copy of committee report.)



13/21/83

COMMISSIONER OF HIGHER EDUCATION

TO: Irving E. Dayton
Commissioner of Higher Education

FROM: Laurence Weinberg
Assistant Chief Counsel *LW*

RE: Resolution Concerning Bankruptcy

DATE: October 15, 1982

The increasing number of personal bankruptcy filings is well documented. Also, the number and amount of defaults on student loans are of considerable public concern. Bankruptcy does provide an avenue to discharge student loans because of various statutory provisions. The resolution addresses some of these provisions and urges the federal Congress to take the necessary legislative actions to close the "loopholes." Because the bankruptcy law is federal, any changes must occur at the federal level. Hence, the resolution is addressed to the United States Congress.

The text of the resolution urges Congress to amend the bankruptcy law to make it more difficult to discharge student loan debts in a bankruptcy proceeding. Four specific changes are urged:

Section 523(a)(8) provides:

"to a governmental unit, or a nonprofit institution of higher education, for an educational loan, unless --

(A) such loan first became due before five years before the date of the filing of the petition; or

(B) excepting such debt from discharge under this paragraph will impose an undue hardship on the debtor and the debtor's dependents."

The first suggested amendment changes the five-year period in § 523(a)(8)(A) to a 10-year period. Loans that are into repayment more than five years are currently dischargeable. The amendment would extend the period to 10 years. This is reasonable inasmuch as the individual's ability to repay the loan should increase with the time out of school and an automatic discharge after only five years is arguably unfair to the lender. Subsection 523(a)(8)(B) provides for discharge when failure to grant a discharge would result in an undue hardship for the debtor. Congress did not define undue hardship, and the courts have been forced to develop judicial meanings for the term. The second suggested amendment asks Congress to adopt a three-tiered test developed by the courts and explained in some detail by the referenced decisions. Essentially the tests consist of:

- a. Mechanical test
- b. Good faith test
- c. Policy test

As the Court in In Re Lezer describes the approach:

"(1) Mechanical Test: The court must ask: Will the debtor's future financial resources for the longest foreseeable period of time allowed for repayment of the loan, be sufficient to support the debtor and his dependent at a subsistence or poverty standard of living as well as to fund repayment of the student loan? If this question is answered affirmatively, discharge of the student loan must be denied. If answered negatively, then the court must apply the good faith test:

(2) Good Faith Test: Here the court asks two questions:

(a) Was the debtor negligent or irresponsible in his efforts to minimize expenses, maximize resources, or secure employment?

(b) If "yes," then would lack of such negligence or irresponsibility have altered the answer to the mechanical test?

If the answer to the first part of the good faith test is no, then the debtor should be discharged of the obligation to repay his student loan. However, if the answers to both parts of the good faith test are "yes," then a presumption against discharge is established -- which may be rebutted by a negative answer to the third and final test.

(3) . . . Policy Test: The court must ask: Do the circumstances -- i.e., the amount and percentage of total indebtedness of the student loan and the employment prospects of the petitioner indicate:

(a) that the dominant purpose of the bankruptcy petition was to discharge the student debt, or

(b) That the debtor was definitely benefited financially from the education which the loan helped to finance?

If the answer to both parts of this question is a firm "no," then the debtor should be discharged from his student loan obligation. If the court answers "yes" to either part of the question, then discharge should be denied."

This approach represents a reasonable balance between the interests of the lender and the bankrupt.

Individual debtors generally file their petitions under Chapter 7 or Chapter 13 of the Bankruptcy Reform Act. Chapter 7 is the so-called straight liquidation, whereas Chapter 13 provides for wage earner plans. The discharge provisions of § 523 apply only to Chapter 7. Chapter 13 at present is much more liberal in permitting discharge. It is thus possible for a debtor to obtain a discharge of a student loan under Chapter 13, whereas a discharge under Chapter 7 would not be possible. This has led to substantial abuses where a debtor makes a minimal (.01 cent on the dollar or .00 cent on the dollar) repayment and secures complete discharge. Section 1325(a)(3) provides:

"(a) The court shall confirm a plan if -- . . .
(3) the plan has been proposed in good faith and not by
any means forbiddin by law."

Some courts have interpreted "good faith" to refer solely to the ability of the debtor to pay, whereas other courts have found the term to encompass the use of Chapter 13 to avoid the more restrictive discharge provisions of Chapter 7. The suggested amendment utilizes the latter approach and is consequently more favorable to the lender.

Finally, § 1328(a)(2) provides:

"(a) . . ., the court shall grant the debtor a discharge
of all debts . . . except any debt -- . . .
(2) of the kind specified in section 523(a)(5) of this
title."

The suggested amendment would add student loans to the discharge exceptions unless the loans were more than 10 years old or constituted an undue hardship. The type of debts found in § 523(a)(5) are alimony, maintenance, and child support debts.

If the above described amendments were made, the potential for abuse of the bankruptcy laws as a means of avoiding student loans would be greatly diminished.

LW/tt

Resolution of the Montana
Board of Regents of Higher Education

WHEREAS, student loan programs, whether federal, state, or private, serve an essential role in making quality education available to students from all economic classes; and

WHEREAS, the economic and social welfare of the state and the nation is strongly dependent upon the ability of the country to educate its citizens, regardless of their economic or social conditions; and

WHEREAS, the increasing number of bankruptcies resulting in the discharge of student loans serves to severely weaken student loan programs by reducing the amount of funds available for loans and by reducing the public creditability of such programs; and

WHEREAS, control of the provisions of the bankruptcy laws is vested in the federal government.

NOW, THEREFORE, BE IT RESOLVED BY THE MONTANA BOARD OF REGENTS OF HIGHER EDUCATION:

THAT, the Congress of the United States is urged to amend the bankruptcy laws of the United States to make it more difficult for individuals to discharge student loans in bankruptcy proceedings while still preserving the flexibility necessary to permit those without present or foreseeable future repayment ability to obtain a discharge; and in particular the following changes in the law are urged to be made:

(1) Amend § 523(a)(8)(A) of the Bankruptcy Reform Act to provide for a 10-year period of nondischargeability.

(2) Amend § 523(a)(8)(B) of the Bankruptcy Reform Act to define undue hardship, incorporating the three-tiered analysis of In Re Johnson, 5 B.C.D 532 (1979) and In Re Lezer, 21 B.R. 783 (1982).

(3) Amend § 1325(a)(3) of the Bankruptcy Reform Act to clarify that the term "good faith" refers to both the debtor's ability to pay and the debtor's use of a Chapter 13 proceeding to avoid the nondischargeability provisions of Chapter 7 without providing for substantial repayment of the student loan debt.

(4) Amend § 1328(a)(2) of the Bankruptcy Reform Act to add debts provided for under § 523(a)(8) as exceptions to discharge under Chapter 13.

BE IT FURTHER RESOLVED:

THAT, copies of this Resolution be sent to the Montana Congressional Delegation, to the Secretary of Education, to the President of the Montana Senate, to the Speaker of the Montana House of Representatives, and to such other individuals as the Commissioner of Higher Education determines should receive a copy; and

THAT, the Senate and the House of Representatives of the State of Montana are urged to adopt a similar resolution placing the Montana Legislature in support of tightening the discharge provisions of the bankruptcy laws.



COMMISSIONER OF HIGHER EDUCATION

TO: Irving E. Dayton
Commissioner of Higher Education

FROM: Laurence Weinberg *fw*
Assistant Chief Counsel

RE: Resolution Concerning Bankruptcy and Student
Transcripts

DATE: November 5, 1982

As discussed in the earlier memorandum of October 15, 1982, also relating to bankruptcy, the large number of individual bankruptcies involving student loans has caused considerable adverse reaction to student loan programs in general. Any steps that can be taken to improve the collectability of student loans vis-a-vis the bankruptcy process are highly advisable.

Court decisions concerning the release of student transcripts to or for student debtors are a source of difficulty for collections. The ability of a school to refuse or condition the release of a student transcript is a powerful collection tool. Unfortunately the power of this collection device has been severely hampered by several recent court decisions. The resolution is designed to address and close these loopholes.

When an individual files a petition for bankruptcy, an automatic stay goes into effect pursuant to § 362 of the Bankruptcy Reform Act. The stay is a prohibition on all creditors, with certain exceptions, from taking any acts to collect pre-petition debts. The courts view the withholding of a transcript as an action by a school creditor to collect a student pre-petition debt. The fact that the student debt may very well not be discharged has not affected these decisions. Thus, courts have ordered both private and public colleges to furnish transcripts to student bankrupts. After the individual receives his general discharge, the school could then refuse to provide a transcript assuming that the student loan debt had not been discharged. What the courts have created is a "window" from the date of filing to the date of general discharge, during which time the debtor can obtain a copy of the student transcript irregardless of the final status of the student loan debt. The proposed changes in § 362 remedy this defect.

Some courts have indicated a willingness to consider transcript withholding to be a violation of § 525 when a state institution is involved. To forestall this section from being utilized by debtors, it is also amended.

Under Chapter 13 of the Bankruptcy Reform Act, a wage earner may file a so-called wage earner plan for repayment of debts. From the time the order for relief is issued by the court until the plan is defaulted upon or completed, the debtor is to be provided with transcripts. If the debtor defaults on the payments, the student loan is not discharged. Unfortunately the transcripts have already been provided. Consequently, § 1301 of the Bankruptcy Reform Act is also proposed for amendment.

All of the suggested changes are designed to permit a school to withhold release of a transcript to a student loan debtor who has filed in bankruptcy until the loan is declared discharged. In the case of a "stale" loan (one over five years old) this would occur upon issuance of a general discharge. For more recent loans (other than under Chapter 13), this will require a finding of undue hardship by the bankruptcy court pursuant to an adversary proceeding (a proceeding that the school is not required to initiate). For Chapter 13 proceedings, the ability to withhold the transcript will continue until completion of the court approved repayment program. Hopefully these changes will be beneficial.

If the student loan is discharged, then transcripts should be released.

LW/tt

RESOLUTION OF THE
MONTANA BOARD OF REGENTS
OF HIGHER EDUCATION

WHEREAS, student loan programs play an essential role in making educational opportunities available to all persons; and

WHEREAS, the integrity of the student loan programs is based in great measure upon the ability of the institutions of higher learning to collect student loan debts; and

WHEREAS, a major tool in the collection of debts is the ability of the school to withhold furnishing transcripts to debtors; and

WHEREAS, the present bankruptcy statutes have been interpreted by the courts to require schools to furnish transcripts simply by virtue of the debtor filing a petition in bankruptcy.

NOW, THEREFORE, BE IT RESOLVED BY THE MONTANA BOARD OF REGENTS OF HIGHER EDUCATION:

THAT, the Congress of the United States is urged to amend the bankruptcy laws of the United States to permit an institutional creditor to withhold release of a transcript to a student loan debtor until such time, if it occurs, the student loan is declared discharged; and in particular the following changes in the law are urged to be made:

(1) Amend § 362(b) of the Bankruptcy Reform Act to add a new subsection (9) that provides: "under subsection (a) of this section, of the right of an educational institutional creditor to withhold release of the transcript of a student loan debtor until such time as the student loan debt is declared discharged by the bankruptcy court or other court of competent jurisdiction."

(2) Amend § 525 of the Bankruptcy Reform Act to clarify that this section is not violated by the refusal of a state school to provide a transcript to a student loan debtor unless the debt has been declared discharged.

(3) Amend § 1301 of the Bankruptcy Reform Act to add an additional exception subsection (d) to permit an educational institutional creditor to withhold the transcript of a student loan debtor until such time as the debt is discharged pursuant to § 1328 of the Bankruptcy Reform Act.

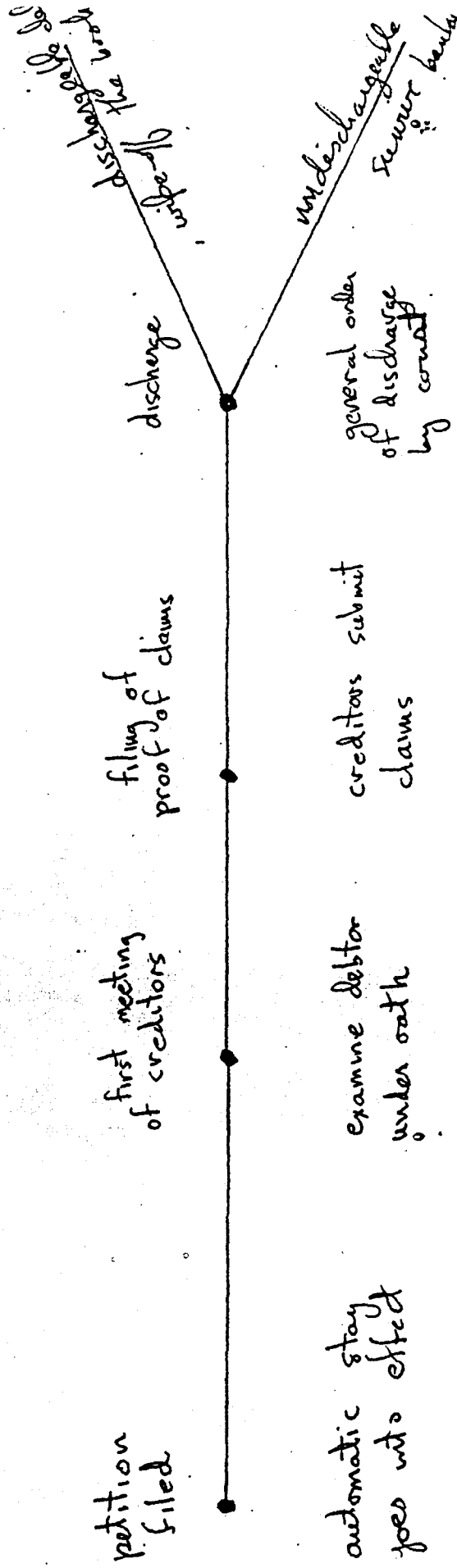
BE IT FURTHER RESOLVED:

THAT, copies of this Resolution be sent to the Montana Congressional Delegation, to the Secretary of Education, to the President of the Montana Senate, to the Speaker of the Montana House of Representatives, and to such other individuals as the Commissioner of Higher Education determines should receive a copy; and

THAT, the Senate and House of Representatives of the State of Montana are urged to adopt a similar resolution placing the Montana Legislature in support of amendments designed to preserve the ability of schools to use the student transcript as an aid in collecting student loan debts.

Time Sequence for a Chapter 7 BK

(there may be exceptions in the order of events)



Time Sequence for a Chapter 13 BCP

(there may be exceptions in the order of events)

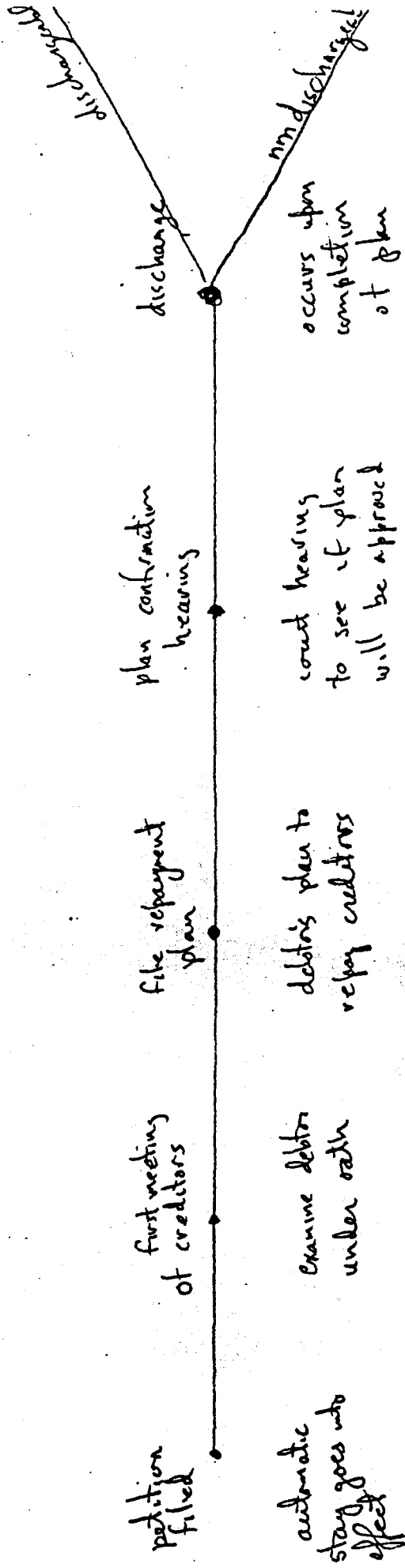


EXHIBIT #3
3/21/83

GUIDELINES FOR THE RETENTION
OF
SELECTED SCHOOL DISTRICT RECORDS
June 1977

RECORD

MINIMUM RETENTION

FEDERAL PROJECT RECORDS

E.S.E.A. Title I, II, III
N.D.E.A. Title III
Vocational Education
Special Education Reimbursements

5 Years
5 Years
5 Years
5 Years } 1977

GENERAL FINANCE RECORDS

Miscellaneous General Receipts
Adult Education Receipts - Duplicate Copy
Adult Education Receipts - Triplicate Copy
Annual School Trustees' Report
County Treasurer's Monthly Statements
Disbursement Authorizations:
 Requisitions
 Purchase Orders
 Invoices-
Unused Checks
Bank Statements
Canceled and Paid Checks
Duplicate Warrant Copies
Official Budget Copies
Budget/Receipt Sheets
Claims, Approved and Paid
Bonds and Coupons (Paid)
Triplicate Warrants

25 Years 1957
Audit plus 1 Year
25 Years
10 Years 1972
3 Years 1979

8 Years
8 Years
8 Years
8 Years
8 Years
8 Years } 1974
10 Years - 1972
Permanent Record
25 Years 1957
25 Years
3 Years - 1979

Gen. 27-2-202
20-2-212
State Limitations

Receipt Register
w current "

PAYROLL RECORDS

Form W-2 Retained Copy
Monthly and Quarterly Wage Records
 Duplicate - Federal Tax Form 941
 Duplicate - State Tax Forms MW5A and MW10A
 Duplicate - Social Security Report Form OAR3
 Duplicate - PERS Systems Reports 33A and 33B
 Duplicate - Industrial Accident Board Report Form 3012
 Duplicate - State and Federal Tax Withholding
Tax Shelter Annuities
Duplicate Veterans' Retirement Reports
Time Cards (Sheets)
Teacher's Retirement
TRANSPORTATION RECORDS

6 Years
6 Years
5 Years
4 Years
8 Years
5 Years
7 Years
10 Years
After Audit
3 Years
8 Years

Route Maps
Drivers Written Examination
Drivers Physical Examination
Driver's Trip Reports

Current
3 Years After Examination
3 Years After Examination
90 Days After End of School Year

STANDING COMMITTEE REPORT

March 21, 19 83

MR. **PRESIDENT:**

We, your committee on **EDUCATION AND CULTURAL RESOURCES**

having had under consideration **HOUSE JOINT RESOLUTION** Bill No. **21**

Bengston (Elliott)

Respectfully report as follows: That **HOUSE JOINT RESOLUTION** Bill No. **21**

BE CONCURRED IN
XXXXX
DOTA66

He

STANDING COMMITTEE REPORT

March 21, 19 83

MR. **PRESIDENT:**

We, your committee on **EDUCATION AND CULTURAL RESOURCES**

having had under consideration **HOUSE JOINT RESOLUTION** Bill No. **22**

Bengston (Elliott)

Respectfully report as follows: That **HOUSE JOINT RESOLUTION** Bill No. **22**

BE CONCURRED IN
ROCKY

NAME

Bill CUNNEEN

BILL NO.

HB 105

ADDRESS

220 Graham - Helena, Mont

DATE

3-21-82

WHOM DO YOU REPRESENT

Off. of Public Instr.

SUPPORT

X

OPPOSE

AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME

Pat Lee

BILL NO.

HB 105

ADDRESS

820 Circle Dr. Billings

DATE

3-21-83

WHOM DO YOU REPRESENT

Montana Adult Ed. Assoc.

SUPPORT

☒

OPPOSE

AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

STANDING COMMITTEE REPORT

March 21, 19 83

MR. **PRESIDENT:**

We, your committee on **EDUCATION AND CULTURAL RESOURCES**

having had under consideration **HOUSE** Bill No. **105**

Winslow (Elliott)

Respectfully report as follows: That **HOUSE** Bill No. **105**

BE CONCURRED IN

DOES