

MINUTES OF THE MEETING
EDUCATION AND CULTURAL RESOURCES COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

March 22, 1985

The meeting of the Education and Cultural Resources Committee was called to order by Chairman Dan Harrington at 4:15 p.m. in Room 312-3 of the State Capitol.

ROLL CALL: All members were present. Representatives Kennerly, Sands, and Thomas arrived later than roll call.

CONSIDERATION OF SENATE BILL 316: Senator Les Hirsch, District #13, spoke as chief sponsor of S.B. 316. He gave background information on the legislation being that in the fall of 1984 during a general election, an annexation question was on the ballot at Colstrip. They were attempting to annex the Colstrip School District. An advisory council had been working for a year prior to this on the arrangements. There are two questions they found that were not addressed in State law and this bill attempts to address those questions so the annexation question can be presented to the voters again. These two questions are 1) under current law, when annexation takes place the trustee representation has to include three new members from the annexed area. A plan will be drawn up prior to the annexation question and the board representation will be determined by population; and 2) a method of disannexation will also have to be included in the plan. Sen. Hirsch said there was concern regarding bonded indebtedness and the language on Page 2, lines 5 through 9 addresses that.

PROPOSERS: Judd Flower, President of Miles Community College, stood in support of the bill. The statute does not provide for a procedure to handle some things in the annexation process. For example, with new trustees from a newly annexed area, there is no plan for eliminating the current existing trustee positions. Under this bill, the plan will be presented to the voters as part of the total package and they would know how the transition would take place. If they found themselves unhappy in the annexed position, this would give provision for disannexation also.

Cliff Young with the Colstrip Advisory Board relayed that on the previous annexation the consensus of the citizens of Colstrip questioned the process for board representation, how to deal with disannexation, and bonded indebtedness. This bill would protect the newly annexed area and the taxpayers of the old area and clarify the issues.

There being no further proponents and no opponents, Chairman Harrington opened the floor to questions.

Representative Peck reiterated that the bill would allow the districts to get together and come up with agreeable terms. Mr. Flower also added that one of the reasons that they suggested a "plan" rather than putting all the details in the statute was that each of the three different Community Colleges pose unique circumstances.

Senator Hirsch closed the hearing on Senate Bill 316.

CONSIDERATION OF SENATE BILL 320: Senator Larry Tveit, District #11, appeared to present this bill as its sponsor. The bill puts into law the current practice. It is an act to require that the county treasurer remit immediately to the State Treasurer for deposit in the State Equalization aide account, any surplus balance from the basic county levies for elementary and high school districts. It requires that the county superintendent appropriate the basic county revenues to the districts on a monthly basis.

PROPOSERS: Gloria Paladichuk, Richland County Treasurer, rose in support of S.B. 320. Monthly distribution to schools would allow them to immediately invest the money and the earnings would reduce the voted levy. This is the only fund that the law does not require disbursement of by the county treasurers on a monthly basis. Since motor vehicle tax collections are on a staggered system, there is money available for distribution monthly. It also requires 100% counties to send the surplus collections to the State when they reach that status. She said she believed there were nine such counties. Cascade, Fergus, Lewis and Clark, Missoula, Yellowstone, and Richland counties presently administer monthly school distributions. In Richland County they have sent in surplus funds for two years and have encountered no problems. The bill also removes the requirement for a county commission order for treasurers to remit surplus collections. If the county treasurer refuses to remit surplus funds, Ms. Paladichuk believes they could be charged with malfeasance of office. It will also resolve the difference of the Legislative Auditor's figures and the county calculations due to the fact that the Auditor took the figures from the annual reports based on fiscal year collections and the surplus counties calculate their remittances as of May 31st. The same months are not being compared. She urged the support of the bill even though another bill has been signed by the Governor which changed the remittance date for surplus counties from June 1st to June 20th.

Susie Spurgea, Fergus County Treasurer and Secretary/Treasurer of the Montana County Treasurers Association, said that in May of 1983 they elected to begin distributing the basic county levy funds on a monthly basis. The time involved is a maximum of three hours per month. They are a working example of the

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proposed legislation and are happy with it. Ms. Spurgea distributed written testimony from the County Superintendent of Schools in Fergus County, Exhibit 1.

Chip Erdmann with the Montana School Board Association rose in support of the bill as it will give school districts a better case flow. He also relayed that Dick Trerise with the Montana Association of County School Superintendents asked support of the bill, even though he was absent.

Bob Stockton with the Office of Superintendent of Public Instruction, testified that these funds are budgeted for in the year of their collection or when they occur. In June, they arrive too late to be used to make the distribution of state equalization aide to the districts. In a year when the funds are tight, they would have a real problem if they did not get them in.

There being no further proponents, Chairman Harrington asked for opponents of the bill.

OPPONENTS: David Ashley, Deputy Director with the Department of Administration, stated that their interest in the bill is receiving and collecting these funds from the county. In working with the nine counties from the Eastern part of the State, they made them aware of the impracticality of the June 1st deadline. They introduced a bill to rectify the problem with House Bill 267 which changed the date to June 20th and this allowed the counties time to collect their second half taxes. This bill is now codified in Chapter 50 of the laws. In their calculations, five counties would have to remit surplus funds shortly after November 20th. Between 2-1/2 and 3 millions dollars would come to the State about 6 months early. He said there is a technical incompatibility between these two bills and offered an amendment. (Exhibit 2) If the committee decided to go with this bill, he said the earlier bill would need to be repealed.

Chairman Harrington called for questions from the committee as there were no other opponents.

There was discussion of exactly whose money these surplus funds were, as brought out by Rep. Eudaily. David Ashley said he couldn't say, but he asked George Pennergast what counties do with the money in the interim and Mr. Pennergast said that it was typically in their general fund. Bob Stockton responded by saying that the Supreme Court ruled in 1974 that it was state money. Mr. Stockton replied to a question of Rep. Harbin's by saying that there is usually no money available until the second quarter and the accumulation isn't really that much. If they take any collections after the first quarter and before the June distribution, they are held and the interest invested. That earned interest is kept by the county, as far as they know, and they do not use it to reduce school district taxes. It may reduce the county levy.

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Ms. Paladichuk said that Richland County changed their distribution methods when the Supreme Court made their decision that any investment earnings were to go back into the equalization fund. Rep. Peck asked her if she knew if the other counties were following this and said said, "No, they are not."

Rep. Williams asked if there were a legal question involved here if they were not abiding by the law. Bob Stockton said he could not address the legalities as they saw no evidence of what earned interest was coming in.

Senator Tveit closed the hearing on the bill by saying that he believes there is a basic need for this bill to be law. This bill says the money will stay in the county and school district to be used until they reach a surplus. It is not taking anything away from the counties to move it to the State. He asked that Rep. Kitselman carry this bill should it pass.

CONSIDERATION OF SENATE JOINT RESOLUTION 13: Senator Dorothy Eck, District #40, spoke for the resolution as it came out of the Ground Water Advisory Council who have been studying the State's problems in this area. The research is being done in ground water issues and the data is not collected and preserved in a uniform way. This resolution would give a permanent recognition to the Montana College of Mineral and Science Technology in the Montana Bureau of Mines and Geology for the repository of the information. They are providing a statewide service to agencies and individuals and Senator Eck hoped that the studies and data collections could be stored with easy accessibility. She wished there were dollars to go with the resolution. As a priority, it was rated very high in the Legacy Program so she feels there will be funding to carry on the work they have been doing.

PROPOSERS: Gary Amostoy, representing the Department of State Lands, rose in support of the resolution. He said most of the data collected is not accessible to potential users because of inadequate organization and data management. (See written testimony, Exhibit 3)

There being no other proponents or opponents, questions from the Committee were entertained.

Rep. Peck spoke concern of the future costs of the resolution to which Senator Eck responded that the Ground Water Information Center would have to come before each legislative session for grant requests. Her rough estimate at the very least would be \$200,000 to one million dollars per year. Senator Eck closed the hearing by saying that she wished someone from the Bureau could have been at the hearing, but encouraged Committee members to talk to someone on the Advisory Council or the Bureau.

EXECUTIVE SESSION:

ACTION ON SENATE JOINT RESOLUTION 13: Rep. Harrington said the Bureau had done a tremendous job in the study of the flooding of the mines in Butte and it may be the only place where a hydrologist could be found. Rep. Williams motioned that the resolution BE CONCURRED IN. Rep. Eudaily seconded the motion and it passed by a unanimous voice vote. Chairman Harrington will carry it to the floor.

ACTION ON SENATE BILL 316: Rep. Williams moved that Senate Bill 316 BE CONCURRED IN. Rep. Hammond seconded the motion. Rep. Peck spoke in favor of the bill as there are negotiations built in and it informs the public. Rep. Glaser also spoke in favor of the bill. The motion that it BE CONCURRED IN passed unanimously by voice vote. Rep. Carl Zabrocki will carry the bill in the House.

ACTION ON SENATE BILL 320: Rep. Williams said he would prefer local governments get the overflow and surplus cash interest. When asked by Rep. Peck, Bob Stockton said the bill would help the school foundation program in that if the remittances arrived too late, the State would not have the money available to make the distributions. Rep. Peck clarified that if those nine counties had surpluses, they must remit that within 30 days. The interest in those surplus counties should remain there and then come to the State eventually per Bob Stockton. He also said that prior to the 1974 ruling the district could keep the interest earned and suspects that some of them still do.

Rep. Eudaily said that this bill would need an amendment which says that the last payment would not have to be in except as specified in H.B. 267. Andi Merrill read some wording for the bill as follows: Page 2, line 21, following "~~June-1~~", add "with any final remittance due no later than June 20". If both bills passed, the Code Commissioner would probably mesh the two, but this amendment would be helpful. Rep. Eudaily made a motion that Senate Bill 320 BE AMENDED. The motion carried by unanimous voice vote.

Rep. Hammond moved that Senate Bill 320 BE CONCURRED IN, AS AMENDED. The question was called and the motion passed unanimously. Rep. Kitselman will carry the bill.

ACTION ON SENATE BILL 256: Rep. Peck posed a question concerning this bill if enacted how children would be kept in school after March 1, as that is the last time enrollment is taken. Rep. Eudaily said this bill would initiate a major policy change in the way schools are funded as it would be based on enrollment rather than attendance. He relayed that not all school districts would benefit by the bill. Rep. Eudaily moved that the bill be TABLED. Rep. Hannah seconded the motion. The motion carried unanimously by voice.

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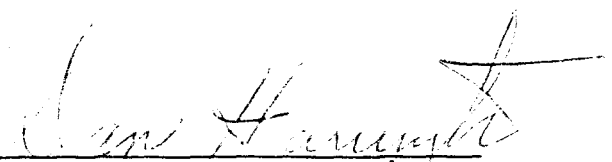
In addressing the bill, Rep. Williams suggested leaving out third class schools. Rep. Glaser said there may be a potential for lawsuits.

ACTION ON SENATE BILL 168: This bill was referred back to committee for further consideration. Rep. Harrington referred to consolidations and asked if the county officials serving as superintendents were doing an adequate job. Rep. Brandewie said if there is a consolidation a person must be hired that is qualified. Rep. Eudaily referred to lines 4 and 5 which says that if it is consolidated with another county office within the county, the requirements are waived. Rep. Hannah said the struck language on lines 7, 8, and 9 shows that if the officeholder is not qualified for the position, they must hire one who has the qualifications. Rep. Eudaily responded that may not mean it would have to be a county superintendent. Rep. Peck was concerned that it would be a "closed shop" for county superintendents with the new bill.

Rep. Brandewie suggested that language should be inserted to make it an "either/or" situation--it should prefer a county superintendent be contracted, but if one is not available it would need to come from the consolidated county office. Rep. Mercer made a motion that Senate Bill 168 BE NOT CONCURRED IN.

Rep. Kitselman made a substitute motion that the bill be TABLED. A voice vote showed the motion carried with Representatives Hammond, Williams, Eudaily, and Harrington opposing.

There being no further business, the meeting adjourned at 5:15 p.m.



REP. DAN HARRINGTON, Chairman

crf

DAILY ROLL CALL

EDUCATION COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 3.22.85

NAME	PRESENT	ABSENT	EXCUSED
Dan Harrington	✓		
Ralph Eudaily	✓		
Ray Brandewie	✓		
William Glaser	✓		
Joe Hammond	✓		
Thom Hannah	✓		
Raymond Harbin	✓		
Roland Kennerly	l		
Les Kitselman	✓		
John Mercer	✓		
John Montayne	✓		
Richard Nelson	✓		
Jerry Nisbet	✓		
Ray Peck	✓		
Jack Sands	l		
Ted Schye	✓		
Fred Thomas	l		
Mel Williams	✓		

STANDING COMMITTEE REPORT

MARCH 25 19 85

MR. SPEAKER

We, your committee on EDUCATION AND CULTURAL RESOURCES

having had under consideration SENATE JOINT RESOLUTION Bill No. 13

THIRD reading copy (BLUE)
color

**JOINT RESOLUTION TO ESTABLISH AND FUND GROUND WATER INFORMATION
CENTER**

Respectfully report as follows: That SENATE JOINT RESOLUTION Bill No. 13

BE CONCURRED IN

DOTTASSY

STANDING COMMITTEE REPORT

MARCH 25

19 35

MR. SPEAKER

We, your committee on EDUCATION AND CULTURAL RESOURCES

having had under consideration SENATE Bill No. 316

THIRD reading copy (BLUE)
color

**PROVIDING PROCESS FOR RESCISSION OF ANNEXATION TO COMMUNITY
COLLEGE DIST.**

Respectfully report as follows: That SENATE Bill No. 316

BE CONCURRED IN

~~DO PASS~~

STANDING COMMITTEE REPORT

MARCH 25

19 85

MR. SPEAKER

We, your committee on EDUCATION AND CULTURAL RESOURCES

having had under consideration SENATE Bill No. 320

THIRD reading copy (BLUE)
color

REQUIRE COUNTY TREASURER TO REMIT ANY SURPLUS BASIC LEVY FUNDS
IMMEDIATELY

Respectfully report as follows: That SENATE Bill No. 320

BE AMENDED AS FOLLOWS:

1. Page 2, line 21.
Following: "June-1"
Insert: ", with any final remittance due no
later than June 20"
2. Page 4, line 25.
Following: "June-1"
Insert: ", with any final remittance due no
later than June 20"

AND, AS AMENDED,

BE CONCURRED IN

~~DO PASS~~

F E R G U S C O U N T Y
S T A T E O F M O N T A N A

Lewistown, Montana 59457

EXHIBIT 1
S.B. 320
3.22.85

21 March 1985

Representative Dan Harrington, Chairman
Education and Cultural Resources Committee
Capitol Station
Helena, MT 59620

Dear Representative Harrington,

I'm writing in reference to Senate Bill
No. 320.

SB 320 would support what Fergus County
has already been doing for the last year. It
is very convenient for the Treasurer to give
me her totals monthly. It takes approximately
 $\frac{1}{2}$ - 1 hour a month for me to distribute the
totals to each district.

Our district clerks prefer getting their
distribution monthly rather than quarterly,
and I hope that you will support this bill.

Thank-you for your support.

Sincerely,

Shirley Barrick

Shirley Barrick

Fergus County Supt. of Schools
Fergus County Courthouse
Lewistown, MT 59457

SB/jm

Proposed Amendments to SB320 - Third Reading Copy

1. Title, line 16
Following: "MCA;"
Insert: "repealing Chapter 50, Laws of 1985;"
Following: "providing"
Strike: "AN"
Following: "effective"
Strike: "date."
Insert: "dates."
2. Page 6, following line 10
Insert: "New Section. Section 4. Repealer. Chapter 50,
Laws of 1985, is repealed."
Renumber: subsequent section
3. Page 6, line 11
Following: "Effective Date."
Insert: "(1) Except for sections 4 and 5,"
Strike: "This"
Insert: "this"
Following: line 12
Insert: "(2) Sections 4 and 5 are effective on passage and
approval."

TESTIMONY ON SENATE JOINT RESOLUTION 13

DEPARTMENT OF STATE LANDS

The Department of State Lands supports Senate Joint Resolution 13 for the development of a centralized Groundwater Information Center at the Montana Bureau of Mines and Geology.

At the present time, much of the groundwater data already collected in Montana is not accessible to potential users because of inadequate data management and organization. For example, over the past ten years, the Department, through its coal and hard rock mine permitting process, has received large amounts of groundwater data that could be incorporated into this data base thereby making the groundwater information already collected of value to other interested parties.

The converse is also true. Miners must develop site-specific groundwater data to prepare permit applications. The Department must develop and consider groundwater data to assess site-specific and regional groundwater impacts in analyzing permit applications. Were the Groundwater Information Center fully operational, the preparation and processing of many permit applications would precede more economically and more rapidly.

WITNESS STATEMENT

NAME Dieb Treise BILL NO. SB32
ADDRESS Hebena DATE _____
WHOM DO YOU REPRESENT? MACSS
SUPPORT ✓ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Monthly split is no problem for Co Supts.
In fact it creates a better cash flow for
District and allows investment
opportunities

VISITOR'S REGISTER

SENATE	HOUSE	EDUCATION	COMMITTEE
BILL 316 -	PROVIDING PROCESS FOR RESCISSION OF		DATE
ANNEXATION TO COMMUNITY COLLEGE		MARCH 22, 1985	
SPONSOR	LES HIRSCH		

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

SENATE HOUSE EDUCATION COMMITTEE
 REQUIRE COUNTY TREASURER TO REMIT
 BILL 320 - ANY SURPLUS BASIC LEVY FUNDS IMMED. DATE MARCH 22, 1985
 SPONSOR Larry Tveit

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE EDUCATION
SENATE JOINT TO ESTABLISH AND FUND GROUND
XXXXX RES. 13 - WATER INFORMATION CENTER

COMMITTEE

DATE MARCH 22, 1985

SPONSOR DOROTHY ECK

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.