

MINUTES OF THE MEETING
APPROPRIATIONS COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

April 10, 1985 p.m.

The meeting of the Appropriations Committee was called to order by Chairman Bardanouve on April 10, 1985 at 3:45 p.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present.

(Tape 85:A:000)

HB 958: "AN ACT TO APPROPRIATE FUNDS FROM THE STATE SPECIAL REVENUE FUND FOR STATE EQUALIZATION AID TO PUBLIC SCHOOLS TO THE GENERAL FUND; AMENDING SECTION 20-9-343, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A PARTIAL TERMINATION DATE."

Representative Moore presented his bill. He said this bill is part of the compromise made between the Leadership of the two parties over the last two or three days. He said by the finding of \$27 million by converting from the SBAS system to GAAP, the Leadership agreed to place \$15 million of the \$27 million into the General Fund. He said there is no restriction in moving the \$15 million directly to the General Fund and the remainder of the money remains in the Equalization Account to earn interest and will be there for the 1987 session.

Proponents: None.

Opponents:

Representative Peck (037) said he thinks this is setting a dangerous precedent to take money basically dedicated to the schools and transfer it to the General Fund.

Representative Menahan (042) said he thinks the committee is setting a precedent to enhance the problem of the lawsuit brought by some of the underfunded districts.

Representative Connelly (051) opposed the bill, but gave no reason.

Discussion:

Representative Waldron (054) said he is a little bit nervous about taking the money out of the School Equalization Account and putting it into the General Fund. He asked if it would be more logical to take it from the School Equalization Special Fund, put into School Equalization aid or the School Foundation Program, and then lower the amount of General Fund by \$15 million in HB 212.

Representative Moore said the Legislative Council and the Legislative Fiscal Analyst checked and there is no prohibition against the method in HB 958 and this is the expedient method. Representative Waldron said it looks bad to take School Equalization money and put it into the General Fund and he said he suspects the people filing the court case will look at this. Representative Moore said this is perfectly legitimate - the method of transfer in HB 958.

Representative Donaldson (078) said with the kind of transfers Representative Waldron is suggesting is that it would make it almost impossible for the Office of Public Instruction to have the money to make the distributions without making a General Fund loan and repaying it. It would be a problem particularly in the second year.

Representative Menahan (092) asked if this tax came from property tax payers. Representative Moore said none of these funds came from property taxes. Representative Bardanouve said this is all interest and income money on school lands. Representative Menahan said the purpose of this money is to fund education in the state of Montana and he asked what will be the defense of the Legislature if this ends up in court. Representative Bardanouve said this particular bill would not be the question, but the question would be whether the Legislature is properly funding education. He said he does not think the opinion of the court will hinge on anything in HB 958 unless this bill, down the road, short changes the Foundation Program. He said if in 1987 the Legislature fails to come up with money to replace this, there might be a cause in 1987.

Representative Moore closed on his bill.

E X E C U T I V E A C T I O N

Representative Waldron made a motion that House Bill 958 DO PASS. A roll call vote was taken and the motion carried with Representatives Connelly, Menahan and Peck voting no.

Adjourn: The meeting adjourned at 4:10 p.m.

J. Bardanouve
FRANCIS BARDANOUE, Chairman

DAILY ROLL CALL

APPROPRIATIONS COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date April 10, 1985 p.m.

NAME	PRESENT	ABSENT	EXCUSED
BARDANOUE	X		
DONALDSON	X		
BRADLEY	X		
CONNELLY	X		
ERNST	X		
HAND	X		
LORY	X		
MANUEL	X		
MENAHAN	X		
MILLER	X		
MOORE	X		
NATHE	X		
PECK	X		
QUILICI	X		
REHBERG	X		
SWIFT	X		
THOFT	X		
WALDRON	X		
WINSLOW	X		

STANDING COMMITTEE REPORT

APRIL 10 19 85

MR. **SPEAKER**

We, your committee on **APPROPRIATIONS**

having had under consideration **HOUSE BILL 958** Bill No.

~~FIRST~~ reading copy (~~WHITE~~
color)

EDUCATION FUND TRANSFERS

Respectfully report as follows: That **HOUSE BILL 958** Bill No.

DO PASS

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE April 10, 1985 BILL NO. HB 958 TIME _____

NAME	AYE	NAY
Moore (Jack)		
BARDANOUE, FRANCIS (Chairman)	X	
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN		X
ERNST, GENE	X	
HAND, BILL	X	
LORY, EARL	X	
MANUEL, REX	X	
MENAHAN, WILLIAM		X
MILLER, RON	X	
MOORE, JACK	X	
NATHE, DENNIS	X	
PECK, RAY		X
QUILICI, JOE	X	
REHBERG, DENNIS	X	
SPAETH, GARY	X	
SWIFT, BERNIE	X	
THOFT, BOB	X	
WALDRON, STEVE	X	
WINSLOW, CAL	X	

JEAN CARROLL
Secretary

FRANCIS BARDANOUE
Chairman

Motion: Representative Waldron made a motion that HB 958 DO PASS.