

MINUTES OF THE MEETING  
JOINT SUBCOMMITTEE  
ON EDUCATION APPROPRIATIONS  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

January 18, 1985

Tape 14 Side A

The meeting of the Joint Subcommittee on Education was called to order by Chairman Gene Donaldson on Friday, January 18, 1985, at 8:00 A.M. in Room 104 of the State Capitol.

All members were present.

The purpose of the meeting was Executive Action on the OPI Distribution budget. However a general discussion of the current budgetary dilemma was initiated by Chairman Donaldson before Executive Action was taken.

Chairman Donaldson stated that the Subcommittee is now entering an area where precedents may be set. He said he feels a discussion is necessary regarding the difference in revenue projections between the Legislative Fiscal Analyst's office and the Budget Office. Chairman Donaldson said that these differences will have a considerable impact on the Subcommittee's actions, and that he is concerned with the way the Subcommittee ought to proceed because of these major and significant budget issues.

Senator Haffey said that efforts are being made to reach one revenue estimate quickly. He suggested that for the Foundation program and those agencies tied to the program, decisions be made now, with adjustments to follow in accordance with the revenue decisions.

Chairman Donaldson said that the Subcommittee's actions so significantly impact the General Fund that he feels the situation must be discussed further, and he invited discussion on how to proceed.

Representative Peck said he would like to hear the feelings of the other Subcommittee members on this subject. He said he feels it is impossible at this time to consider modifications, and that without a new tax source, "7 percent and 7 percent" is a dream."

Representative Hand said he feels the Subcommittee should make its recommendations now and then come back and make those modifications which are necessary.

Chairman Donaldson said that in the past this is what has usually happened. He said he feels the situation is compounded now because not only will it be difficult to fund

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modifieds, there may even be difficulty in funding current level.

Representative Peck asked Chairman Donaldson if he feels the subcommittee chairmen have agreed on a unified approach to the budget problems. Chairman Donaldson said he doesn't feel that they have. He also said that on Monday (January 21) the Appropriations Committee will meet, and at that time revenues will be discussed. He went on to say that at this point he feels someone needs to make a decision on what revenue figures should be accepted, knowing full well that this will have to change.

Senator Haffey said maybe after this meeting (of the Appropriations Committee) and the meetings between the Budget Office and the LFA's office, the Subcommittee in its wrap-up sessions can make those modifications and adjustments which are necessary.

Relative to the above discussion, Chairman Donaldson asked Judy Rippingale, the Legislative Fiscal Analyst, if any progress has been made in resolving the budget differences between the LFA's office and the Budget Office. Ms. Rippingale said the two offices are working on a joint presentation to show the legislature where decisions must be made.

Francis Olson of the Budget Office said that he concurs with Ms. Rippingale.

Ms. Rippingale said she hopes that in the Appropriations Committee meeting on Monday there is an effort made by the legislators to resolve the budgetary problems. She said all of the information available will be provided on Monday.

Representative Peck said he feels the budget situation has deteriorated in the last few days, specifically because the cigarette tax is not going to be beneficial to the state and the oil price issue looks bleak.

Chairman Donaldson (14:A:399) said that two things affect the economy of the state greatly: interest rates and property taxes. He said the Governor is projecting a 12 percent return on investment, which means higher interest rates. He said the possibility of higher property taxes is also being discussed, and yet it's also being said that the state will have greater economic development. These two things are contradictory, he said.

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Representative Peck asked Chairman Donaldson if he has heard reliable discussion of a funding program that is not presently available for the Foundation program. Chairman Donaldson said he has not heard of anything like this.

Representative Moore said that because of the budget discrepancies, he suggests that Special Education not be considered at this time. He suggested that the other Distribution programs of the Office of Public Instruction be considered and that Special Education be taken up last. Representative Moore said that all action should be taken keeping in mind that these are by no means final figures.

Senator Jacobson said she thinks the Subcommittee should proceed knowing that it will be necessary to return to all of the issues when the budgetary situation is clarified.

Representative Peck said he believes the basic decision is whether or not the Subcommittee should proceed on a "needs" basis. Senator Hammond said that needs change, depending on how much money is available. He said whatever is done will have to be done over, and that he would like to have better information than what is now available.

Chairman Donaldson suggested that the Subcommittee proceed on the basis that all of its recommendations are tentative and that all items will be reconsidered after the budget situation is clarified.

Tape 14 Side B

Senator Haffey moved that LFA current level for Special Education be tentatively approved, subject to those final decisions which will be made by the Subcommittee in its wrap-up sessions, and consistent with the revenue decisions that are reached, and the Foundation program decision. The LFA current level amounts are \$28,044,492 for fiscal year 1986 and \$28,880,218 for fiscal year 1987. The motion passed unanimously.

Representative Moore (14:B:050) moved that LFA current level for Special Education Contingency be adopted, using the same language as the previous motion. The amounts are \$500,000 for each year. The motion passed unanimously.

Senator Haffey (14:B:058) moved that LFA current level for Transportation in the amounts of \$6,175,000 for fiscal year 1986 and \$6,295,000 for fiscal year 1987 be approved, using the previous language. The motion passed unanimously.

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Representative Moore (14:B:150) moved that LFA current level for School Lunch be adopted per the previous language. The amounts are \$640,000 for fiscal year 1986 and \$655,000 for fiscal year 1987. The motion passed unanimously.

Representative Moore (14:B:210) moved that LFA current level for the Gifted and Talented program be adopted using the previous language. The amounts are \$100,000 for each year. The motion passed unanimously.

Representative Moore (14:B:255) moved that LFA current level for Secondary Vo-Ed in the amount of \$750,000 for each year be adopted, per the previous language. The motion passed unanimously.

Representative Moore (14:B:265) moved that the current level budget for Adult Basic Education be adopted using the previous language. The amounts are \$148,535 for fiscal year 1986 and \$155,962 for fiscal year 1987. The motion passed unanimously.

Senator Jacobson (14:B:330) moved that the Executive budget for Traffic Safety Education be approved, per the previous language.

Representative Moore made a substitute motion that LFA current level in the amount of \$1,050,000 for each year be adopted.

There was discussion of the motion and the substitute motion.

Senator Jacobson stated that the LFA's figures are based on the current level 1985 appropriation. The Traffic Safety Education Program request is for the amount that they actually believe the federal government will grant for the program. Senator Jacobson said she hopes to avoid a budget amendment by moving adoption of the Executive budget.

Representative Moore withdrew the substitute motion.

The motion to adopt the Executive budget recommendation of \$1,133,000 for fiscal year 1986 and \$1,158,470 for fiscal year 1987 for the Traffic Safety Education program passed unanimously.

Mr. Olson of the Budget Office explained that revenue for the Traffic Safety Education program fluctuates because

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the funds are generated from highway funds. Because of this fluctuation, the legislature has used boilerplate language with the Traffic Safety Education appropriation bill authorizing the spending of more money if it comes in.

Representative Peck (14:B:470) moved that the blanket authority language for Traffic Safety Education be adopted. The motion passed unanimously.

Representative Moore (14:B:475) moved that the Discretionary Grants be adopted in the amounts listed below:

Description	Fiscal '86	Fiscal '87
Job Training Partnership Act	\$ 500,000	\$ 540,000
Vocational Education	2,500,000	2,500,000
Adult Basic Education	383,000	383,000
Educ. of Hndcp-Pt B	330,000	350,000
Educ. of Hndcp-Pt D	35,000	40,000
Preschool Incentive Grant	118,000	129,000
TOTAL	\$3,866,000	\$3,942,000

The motion carried unanimously.

A discussion followed between the members of the Subcommittee and Representative Francis Bardanouve, Chairman of the Appropriations Committee (14:B:550).

Chairman Donaldson re-stated the Subcommittee's concern that there is such a great discrepancy between the Office of the Budget and the Legislative Fiscal Analyst's office relative to fund balances, revenue projections, etc. He reiterated the Subcommittee's concern that even current level will not be funded and stated that there must be some sort of target or guideline--soon.

Representative Bardanouve agreed that this is necessary. He said that the Budget Office and the LFA's office are communicating. He said he is not sure yet what level the legislature should appropriate to, and anyway it is probably all going to change. Representative Bardanouve said that for the short term, a couple of weeks or so, maybe the Subcommittee should proceed in the same way it has been going.

Representative Bardanouve said the Education and Human Services Subcommittees handle approximately 67 percent of all General Fund appropriations. He said he doesn't know how soon some definite figures will be available, and he stated he is willing to cooperate with the sub-

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committee chairmen in establishing a tentative budget figure.

Chairman Donaldson said that with a tentative figure established, adjustments can be made later on.

Senator Haffey said that if in Monday's Appropriations Committee meeting a recommendation can be made as to how the subcommittees should proceed, then the subcommittees will have some basis for their recommendations. Representative Bardanouve said he will invite recommendations at the committee meeting from Representative Donaldson and Senator Haffey.

Chairman Donaldson said that all six subcommittees ought to be moving in the same direction.

Representative Bardanouve, in response to a question from Representative Moore, said all of the subcommittees seem to be moving in much the same direction, adopting current level budgets and setting aside the modified requests for later consideration.

There being no further business before the Subcommittee, the meeting was adjourned at 9:40 A.M.

  
Gene Donaldson, Chairman

DAILY ROLL CALL

## EDUCATION SUB COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date January 18, 1985

[illegible]

HOUSE Education Sub COMMITTEE

DATE Jan. 18, 1985

[illegible]

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.