

MINUTES OF THE MEETING
EDUCATION AND CULTURAL RESOURCES COMMITTEE
MONTANA STATE SENATE

January 21, 1985

The fourth meeting of the Senate Education and Cultural Resources Committee was called to order by the Chairman, Senator Chet Blaylock, at 1:02 p.m., in Room 402, State Capitol Building.

ROLL CALL: All committee members were present.

CONSIDERATION OF SENATE BILL 109: SENATOR FULLER, District 22, sponsor of the bill, stated the bill attempts to correct problems that now exist with disposition of property on loan to the Historical Society and other museums in the state after donors are deceased or can no longer be contacted. Senator Fuller introduced Dr. Robert Archibald, Director, Montana Historical Society, to further present the bill to the Committee.

PROPOSERS: DR. ROBERT ARCHIBALD, Director, Montana Historical Society, read a letter of support for the bill from the Montana Association of Museum Directors. Dr. Archibald stated the main applicability of the bill is to material loaned to museums in the past 10 to 60 years. He said current loans are set for very specific times and purposes. The problem with old loans arises when no contact can be made with donors or their heirs. The museum is left with the responsibility for the property, but no legal title. However, the museum must keep the property insured and cannot dispose of it in any way. The main concern is that at some specific point the museum is no longer responsible, therefore, the bill provides for a system of notification. After an item has been on loan for seven years, the museum attempts to contact the donor or heir. If there is no response, a public notice is sent to the newspaper in the donor's last known area of residence. Following that notification, if there is still no response, after three years the museum gains legal title.

CLAUDETTE MORTON, Cultural Interest Representative for the Montana Division of the American Association of University Women, spoke in support of the bill (EXHIBIT #1).

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BRENDA SCHYE, representing Montana Arts Advocacy, spoke in support of the bill (EXHIBIT #2).

There were no further proponents and NO OPPONENTS to the bill.

DISCUSSION: SENATOR REGAN asked if the Montana law concerning abandoned property applied to this area.

DR. ARCHIBALD replied the Attorney General's opinion stated the abandoned property statutes do not apply to this area.

SENATOR REGAN expressed concern that this bill be consistent with the provisions in the current abandoned property statutes.

There being no further discussion, SENATOR FULLER closed by saying the bill may not anticipate every eventuality, however, it is a fair and reasonable way to address the problem.

CONSIDERATION OF SENATE BILL 117: SENATOR HIMSL, District 3, sponsor of the bill, presented his testimony to the committee (EXHIBIT #3).

PROPOSERS: KATHY FABIANO, Administrator, Accounting Division, Department of Administration, presented her testimony in support of the bill (EXHIBIT #4).

BILL ANDERSON, Office of Public Instruction, presented his testimony in support of the bill (EXHIBIT #5).

There were no further proponents and NO OPPONENTS to the bill.

Senator Himsl closed.

ACTION ON SENATE BILL 117: SENATOR McCALLUM MOVED SENATE BILL 117 DO PASS. The motion carried unanimously.

ACTION ON SENATE BILL 84: Chip Erdman, Montana School Boards Association, Rick Bartos, Office of Public Instruction Attorney, and Lee Heiman, Committee Counsel, all agreed the bill needed no amendment.

SENATOR REGAN MOVED SENATE BILL 84 DO PASS. The motion carried unanimously.

ACTION ON SENATE BILL 109: Senator Regan asked the Chairman to appoint a sub-committee to ensure SB 109 provisions are compatible with current abandoned property statutes.

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Senator Blaylock appointed Senator Mazurek, Senator Pinsoneault, and Lee Heiman to the sub-committee. They will report at the January 25th meeting.

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



Senator Chet Blaylock, Chairman

jdr

ROLL CALL

SENATE EDUCATION AND CULTURAL RESOURCES COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 1/21/85

NAME	PRESENT	ABSENT	EXCUSED
SENATOR PINSONEAULT	✓		
SENATOR BROWN	✓		
SENATOR REGAN	✓		
SENATOR SMITH	✓		
SENATOR HAFLEY	✓		
SENATOR YELLOWTAIL	✓		
SENATOR MAZUREK	✓		
SENATOR FARRELL	✓		
SENATOR McCALLUM	✓ 1110		
SENATOR BLAYLOCK, CHAIRMAN	✓		

1/71/85

Education & Cultural Resources

$$\frac{109}{117}$$

VISITOR'S REGISTER

[illegible]

(Please leave prepared statement with Secretary)

Testimony in Support of SB109

For the record, my name is Claudette Morton, and I am the Cultural Interest Representative for the Montana Division of the American Association of University Women. I live here in Helena.

At the last state convention of the American Association of University Women the membership passed a resolution which supported the concepts presented in SB109.

Montanans have been generous and shared their art works, their historical and scientific collections with their state by placing them in their local and state museums. This has been a bonus for everyone. Yet, it has not been without problems, As the value of these loaned materials increased, it became apparent that there was no consistent conditions for these loans. Because many museums receive state funding, it is important for the legislature to enact this legislation, SB109, which will clarify the relationship and the conditions for both the museums and the citizens, so that this beneficial system can continue.

Thank you.

EXHIBIT #2
EDUCATIONAL AND
CULTURAL RESOURCES
JAN. 21, 1985
SB 109

NAME Brenda Schyge
ADDRESS North Star Pkwy, Glasgow
WHOM DO YOU REPRESENT Montana Arts Advocacy
SUPPORT ☒ OPPOSE ☐ AMEND ☐
BILL No. SB 109
DATE 1-21-85

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I represent the Montana Arts Advocacy, a 700-member cross section of Montanans who are committed to our state's cultural and artistic growth. Museums play a central role in preserving the rich cultural heritage of our state. There is a need for legislation which sets forth a uniform procedure for them to deal with abandoned cultural property.

We believe SB109 provides museums (large and small) with the flexibility they need to properly manage their collections, while protecting the interests of families and individuals who have generously entrusted museums with articles for the public's benefit.

We hope you will give this bill a favorable recommendation.



The Big Sky Country

EXHIBIT #3
EDUCATION AND
CULTURAL RESOURCES
JAN. 21, 1985
SB 117

MONTANA STATE SENATE

SENATOR MATT HIMSL
DISTRICT NO. 9, FLATHEAD COUNTY
305 4TH AVE. E.
KALISPELL, MONTANA 59901

Senate Bill 117

Dept of Adm

Himsl

Section 17-2-102 defines the fund structures for the university system and the Dept of Administration has determined that the Vo-Tech Centers be recorded in that fund structure using the Statewide Budget and Accounting System---as recommended by the National Association of College and University Business Officers.

Vo-Techs now use this system. This bill would amend the language of the fund structures so that where the word "university" is used the language would be "higher education".

Where student loans, endowment funds, plant funds, agency funds and the like are designated as "university" funds, the language would carry the clear declaration to include "post secondary vocational-technical centers."

These proposed clarifications do not change present accounting practices or changes the financial practices but specifically authorizes and legalizes what is being done now. This really is a "housekeeping" bill.

This bill has been reviewed by auditors, the Office of Public Instruction, Vo-Tech Directors, and the Fiscal Analysts and I know of no objections so I respectfully urge your favorable consideration.

Senator Matt Himsl

Testimony on
SB 117

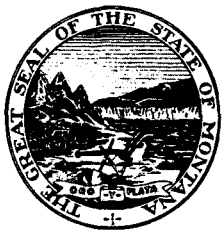
EXHIBIT #4
EDUCATION AND
CULTURAL RESOURCES
JAN. 21, 1985
SB117

Purpose -

Amends existing statutes to clarify:

- 1) That the treasury fund structure used by the universities is also used by Vo-Tech Centers to record their financial activities on the Statewide Budget and Accounting System,
 - 2) That statutory requirements for the payment of interest on loans between those funds will be applied to Vo-Techs like they are to universities,
 - 3) That statutory limitations on negative cash balances within those funds will be applied the same to Vo-Techs as they are to universities.
- When Vo-Tech Centers began using the State's accounting system, it was determined that their activities should be recorded in the NACUBO fund structure.
 - This was the same fund structure being used by Montana's university system and defined in the treasury fund structure act.
 - Thus the Vo-Techs have been using the NACUBO fund structure ever since they came on SBAS, but the statutes continue to refer to is as the "university" fund structure.
 - The proposed amendments to the treasury fund structure act do not affect current accounting procedures used by Vo-Techs, but are intended to clarify that the NACUBO fund structure on SBAS is not used strictly by universities.
 - State law currently requires that loans from the general fund or the "university" current unrestricted subfund to certain other funds bear interest.
 - Since the word "university" is used in relation to loans from the current unrestricted subfund, it is not clear whether loans from Vo-Tech current unrestricted subfunds should also bear interest.
 - The Vo-Techs, like the universities, keep the interest earned on moneys deposited in certain funds. Therefore it is reasonable that, like the universities, Vo-Techs should be charged interest on general fund and current unrestricted subfund loans to those funds. Loans from the general fund or the current unrestricted subfund to funds that keep their interest earnings, results in lost earnings to the General Fund.
 - State law currently says that accounting entities may carry a negative cash balance at any point during the year subject to the following restrictions:
 - a) accounting entity negative cash balances may not exist for more than seven working days in funds that are not NACUBO funds, and
 - b) Universities must maintain positive cash balances by subfund.
 - As this law is currently written, it is not clear which of those restrictions should be applied to Vo-Techs.
 - As amended, the restrictions will be applied to Vo-Techs in the same manner as they are to universities since
 - 1) like universities, Vo-Techs use the NACUBO fund structure and follow the same accounting procedures as universities.
 - 2) like universities, Vo-Techs use many accounting entities and monitoring cash balances by entity is time consuming.
 - 3) Vo-Tech Centers operations, revenue and expenditure activity and cash flows are similar to universities.

KATHY FIABIAN, ADMIN
ACCOUNTING DIVISION
DEPARTMENT OF
ADMINISTRATION



RECEIVED IF S
EDUCATION AND
CULTURAL RESOURCES
JAN 21, 1985
SB 117

OFFICE OF PUBLIC INSTRUCTION

STATE CAPITOL
HELENA, MONTANA 59620
(406) 444-3095

Ed Argenbright
Superintendent

January 21, 1985

Mr. Chairman and Members of the Committee:

The Office of Public Instruction supports Senate Bill 117 as introduced by Senator Himsel.

We support the auditor's contention that the change of fund structure would enhance the accounting for the postsecondary vocational technical centers.

Our efforts to upgrade center and state personnel responsible for accounting procedures have been initiated and await your favorable consideration for passage of this bill. Efforts will be made to insure the smooth transition, Mr. Chairman, should your committee approve.

M. R. Anderson
Deputy Supt.

STANDING COMMITTEE REPORT

January 21, 19 85

MR. PRESIDENT

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

having had under consideration **SENATE BILL** No. **84**

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color

**ALLOWING SCHOOL DISTRICTS TO ACQUIRE PROPERTY BY LEASE-PURCHASE
AGREEMENT**

Respectfully report as follows: That **SENATE BILL** No. **84**

DO PASS

~~DO NOT PASS~~
~~xxxxxx~~

Senator Chet Blaylock

Chairman.

STANDING COMMITTEE REPORT

..... January 21, 19 **85**

MR. PRESIDENT

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

having had under consideration..... **SENATE BILL** No **117**

first reading copy (white)
color

CLARIFYING TREATMENT OF VO-TECH FUNDS FOR PURPOSES OF SEAS

Respectfully report as follows: That..... **SENATE BILL** No **117**

DO PASS

~~DO NOT PASS~~

~~XXXXXXXX~~

.....
SENATOR CHET BLAYLOCK

Chairman.