

MINUTES OF THE MEETING
EDUCATION AND CULTURAL RESOURCES COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

The seventeenth meeting of the Education and Cultural Resources Committee was called to order by Chairman Jack Sands, on February 20, 1987, at 1:00 p.m., in Room 312-D of the State Capitol.

ROLL CALL: All members were present except for Reps. Thomas and Williams who were excused.

CONSIDERATION OF HOUSE JOINT RESOLUTION NO. 34:

REP. CAL WINSLOW, House District No. 89, sponsor of the resolution, stated that he had gotten started working in the area of tourism during the past year and had received a call from an artist named Jim Dolan who does metal sculptures. Mr. Dolan offered to create 26 different sculptures along Montana highways entitled MONTANA PRIDE. He said the sculptures would be created at no cost to the Montana people as he had already started raising funds from foundations and private sources to pay for them.

Rep. Winslow explained that Mr. Dolan had shown him plans of his proposed work which would include, 1) a buffalo jump with about 60 individual sculptures around Bozeman. 2) a project of about 200 individual pieces down by Custer Battle Field. Rep. Winslow said it would be a fascinating sight for people driving down the highways of Montana, which are sometimes flat and barren to see these metal sculptures. He encouraged the committee to pass the resolution as they need to encourage people who are committed to the state and are willing to make Montana a better place to live.

PROPOSERS: None

OPPOSERS: None

QUESTIONS FROM THE COMMITTEE:

REP. LORY pointed out on line 7, where it says at no cost to the citizens of Montana if that shouldn't say to the State of Montana. REP. WINSLOW replied that was correct since he was already raising money in Montana now.

REP. WINSLOW closed by merely thanking the committee.

EXECUTIVE SESSION:

CHAIRMAN SANDS announced that REP. WILLIAMS had called prior to the meeting and told him that he had fallen and would be

staying home for awhile. CHAIRMAN SANDS stated that REP. WILLIAMS had instructed him on how he wanted to vote on various bills, and although it was not in writing, he asked if the committee would allow his votes to be recorded. REP. LORY moved to accept the votes, CHAIRMAN SANDS said without objection the committee would allow REP. WILLIAMS' votes to be cast as he had indicated over the telephone.

ACTION ON HOUSE BILL NO. 294:

REP. EUDAILY moved DO PASS on HB # 294. CHAIRMAN SANDS called for discussion on the bill. REP. PHILLIPS noted that the subcommittee had voted unanimously not to adopt the bill.

REP. EUDAILY explained that all the bill does is guarantee that there is a base, and if the local school board wants to set that base lower any one of those five years, they may do so. This is just a guaranteed base to work from, so everytime the citizens vote on a mill levy they don't have to go back to zero.

The question was called on REP. EUDAILY'S motion that HB # 294 DO PASS. CHAIRMAN SANDS explained to the committee that REP. THOMAS had left a proxy with him, but that he had forgotten to bring it with him, and asked if there was any objection to voting the way that REP. THOMAS had indicated. The committee was agreeable. The motion CARRIED with 9 favorable and 8 opposing votes. Roll call # 1.

ACTION ON HOUSE BILL 356:

REP. HARRINGTON moved DO PASS on HB # 356. REP. EUDAILY said he wasn't in attendance during the hearing and would like REP. HARRINGTON to explain the bill. REP. HARRINGTON explained that the bill was on behalf of the school board association and that it just changed the notification date for tenured and non-tenured teachers by 15 days to give the school districts more time to notify the teachers whether they would be severed after a mill levy. The question was called, the motion CARRIED with REP. NISBET voting no.

ACTION ON HOUSE BILL NO. 619:

REP. GLASER moved DO PASS on HB # 619, the question was called, the motion CARRIED unanimously.

ACTION ON HOUSE BILL NO. 710:

REP. KEENAN moved DO PASS on HB # 710. REP. MERCER moved

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to amend page 1, line 19 after the word "meetings" to delete "in otherwise is not held accountable to the people". The question was called, the motion on the amendment CARRIED with REP. EUDAILY voting no.

REP. MERCER then moved to delete lines 3, 4 and 5 in its entirety which addresses the issue of double AA schools not having a fair voting representation. The question was called, the motion CARRIED with REPS. NISBET, EUDAILY, HARRINGTON and SANDS voting no.

REP. MERCER then moved to amend lines 6, 7 and 8 where it states the Montana High School Association has had a pattern of over-expenditure, to insert a period after the word "association" and strike the remaining part.

REP. STANG made a substitute motion to table the bill. REP. KEENAN asked REP. STANG if he would withdraw his motion so they could discuss the merit of the bill. REP. STANG replied as a favor to REP. KEENAN he would withdraw his motion.

REP. KEENAN said that if the committee was listening to the public they would hear there is some concern about the way the Montana High School Association has conducted and is conducting their business. She stated that she thought that REP. MERCER'S amendments were good, and that perhaps they could lean the bill up and send the message.

REP. PHILLIPS stated he thought there was a lot of merit to the bill but he would recommend that it be made a study resolution rather than go into the codes. CHAIRMAN SANDS said that REP. PHILLIPS could make a motion to make the bill an interim study committee since it would be funded out of those funds. REP. PHILLIPS noted if it remains a bill it would have to go to the appropriations committee and that would probably kill it. He moved that HB # 710 go as a interim study resolution.

A lengthy discussion was held concerning the funding for the bill as opposed to a study resolution.

REP. STANG made a substitute motion to table the bill. The motion CARRIED with REPS. EUDAILY and NISBET voting no.

ACTION ON HOUSE BILL NO. 725:

REP. DAILY moved DO PASS on HB # 725. He then moved the amendments that were proposed to the bill. REP. MERCER

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stated he would like to have the amendments segregated because he did not agree with the "obstruction of justice" passage in the bill. CHAIRMAN SANDS stated without objection the amendments would be segregated. He then stated the vote would be on all the amendments except the one on line 21, "the obstruction of justice" amendment. The question was called, the motion CARRIED unanimously. REP. DAILY then withdrew the "obstruction of justice" amendment.

A lengthy discussion was held regarding what the punishment would be if a school district didn't furnish transcripts for a student who had transferred and what would happen if a private school refused to provide a transcript because the tuition hadn't been paid. The question was called on a DO PASS motion, the motion CARRIED with REPS. PHIL-LIPS, SWYSGOOD and EUDAILY voting no.

ACTION ON HOUSE BILL NO. 764:

REP. LORY moved to table the bill, the motion CARRIED unanimously.

ACTION ON HOUSE BILL NO. 766:

REP. DAILY moved to table HB # 766, the motion CARRIED unanimously.

ACTION ON HOUSE JOINT RESOLUTION NO. 26:

REP. NISBET moved DO PASS on HJR # 26, the motion CARRIED unanimously.

ACTION ON HOUSE JOINT RESOLUTION NO. 34:

REP. STANG moved DO PASS on HJR # 34. REP. LORY moved that page 2, line 7, be amended to strike "at no cost to Montana citizens" and insert "at no cost to the State of Montana". The question was called on the amendment, the motion CARRIED unanimously. REP. LORY moved that HJR # 34 DO PASS AS AMENDED, the motion CARRIED unanimously.

ACTION ON HOUSE BILL NO. 250:

REP. LORY stated "as one of the rable rousers at the University in 1913 when they put tenure in, I move to table HB # 250. The motion CARRIED with CHAIRMAN SANDS voting no.

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A brief discussion was held on moving the foundation program out. It was noted there had to be an appropriation in the bill in order to move it after the transmittal deadline.

CONSIDERATION OF HOUSE BILL NO. 671:

REP. PAUL RAPP-SVRCEK, House District No. 51, sponsor of the bill, noted he was also the sponsor of HB # 659, which is the university consolidation bill. He stated in putting together the proposed legislation for the consolidation of the university units, it was brought to his attention that there might possibly be some constitutional conflict in having the legislature rearrange the university system. He said that HB # 671 merely says that the Montana legislature can define the units of the University system. The ballot language will allow a vote for or against allowing the legislature to define which educational units constitute the university system of Montana.

PROPOSERS:

DAVE LACKMAN, representing the Montana Public Health Association. Mr. Lackman stated he was testifying as an educator and read his prepared statement, see EXHIBIT # 1, in support of HB # 671. He stated that Montana's population of 820,000 could provide only so many dollars, and he believed that the state puts out more than enough money to operate an efficient university system. He concluded by saying the HB # 671 is long overdue and urged its passage.

OPPOSERS:

CARROLL KRAUSE, Commissioner of Higher Education, rose in opposition to the bill. He stated he believes the bill is not needed. The constitution of the State of Montana does not define the university system; however, there is some statutory definition, whereby the units of the university system are spelled out.

REP. SWYSGOOD said he would like to go on record as being an opponent of the bill.

KELLY HOLMES, Montana College Coalition lobbyist, rose in opposition to HB # 671. A copy of her testimony is attached as EXHIBIT # 2.

GREG ANDERSON, Chairman of the Montana Associated Students and President of Associated Students at Eastern Montana College stated he opposed HB # 671. He said the board of

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regents are on the right track now and he would hate to have to turn the future of six units over to a 90 day legislative session.

CLAUDETTE MORTON, Executive Secretary to the Board of Public Education rose in opposition to HB # 671. She stated the framers of the constitution were very careful to provide a delicate balance between the board which sets policy and in so doing defines the university system and the legislature which funds that system. House Bill 671 upsets that balance and the board of public education urges the committee not to pass the bill. See EXHIBIT # 3.

CONSIDERATION OF HOUSE BILL NO. 820:

REP. HARRY FRITZ, House District No. 56, sponsor of the bill, stated the bill will provide that interest earned on an invested fund derived from university student activity fees may be retained by the student government supported by the activity fees.

PROPOSERS:

PAUL TUSS, President of the Associated Students of the University of Montana rose in support of the bill. A copy of his testimony is attached as EXHIBIT # 4.

JAIME ZINK, representing the Associated Students of Montana State University. She said the associated students of Montana State University does receive their interest earnings, and would like to see this procedure extended across the system.

GREG ANDERSON, said he was speaking on behalf of all six units in the system, Montana Associated Students, and they stood in support of the bill.

OPPOSERS: None

QUESTIONS FROM THE COMMITTEE: None.

REP. FRITZ closed by saying he thought the opposers had testified to the soundness of the bill.

CONSIDERATION OF HOUSE BILL NO. 630:

REP. JOHN COBB, House District No. 42, co-sponsor of the bill stated that HB # 630 would centralize the funding and administration of equalization aid for school district

foundation programs in the office of the superintendent of public instruction; to eliminate county accounting, reporting, and distribution requirements for mandatory county levies and miscellaneous revenues. He stated that REP. PECK, the chief sponsor of the bill requested that the committee change the effective date to July 1, 1989 or to table the bill.

REP. COBB explained the bill would 1) centralize the administration and funding of the foundation program, 2) take care of protested taxes, by spreading the whole protested tax across the state entirely so no one school would get hurt when one big business comes in and protests their taxes. 3) Montana could lose over \$20 million dollars in 874 federal monies if this bill would pass and the federal government would not allow this to be done. Senator Melcher put an amendment into the federal law that would allow Montana to use this plan, but it hasn't passed as of yet. It can't take any chances of losing the federal monies so he requested again that the effective date be changed to July 1, 1989 or that the bill be tabled.

PROPONENTS: None.

OPPONENTS:

DON WALDRON, representing the School administrators of Montana, stated he had some real questions about the bill and would request that the committee table it as the sponsor had requested.

JOHN LARSON, representing the Office of Public Instruction. He stated the department of education froze all 874 payments in April of 1984 and it took the state office and the congressional delegation to get Senator Melcher's amendment through the congress so the payments could begin again. He expressed concern that with this bill they would freeze the funds again. He handed out a sheet that Lynda Brannon had prepared as to the impact from the loss of the \$45 million in calculating the local contribution rate. See EXHIBIT # 5. He also circulated a letter from the Department of Education with Senator Melcher's amendment circled, see EXHIBIT # 6, along with a copy of a letter from the Department of Education regarding the local contribution rates. See EXHIBIT # 7. Mr. Larson stated he would join in with the motion to table HB # 630.

BOB ANDERSON, representing the Montana School Boards Association. Mr. Anderson stated he was in Washington three

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weeks ago lobbying the Montana congressional delegation to try and recoup some of the losses in the 874 funds. He stated it would be highly unlikely he would support HB # 630 which would eliminate those funds. He also was in favor of tabling the bill until some work could be done on it.

LARRY LA COUNTE, Superintendent of Schools, rose in opposition to HB # 630. A copy of his testimony is attached as EXHIBIT # 8.

RANDY JOHNSON, representing the Indian Impact Schools of Montana at Browning. He said that if anything interferes with the 874 cash flow it is very hard to make that up. He opposed HB # 630.

ERIC FEAVER, President, Montana Education Association, stated for the record he was opposed to HB # 630.

COURT HARRINGTON, representing the Montana County Treasurers Association stated he would like to go on record as opposed to the bill.

TERRY MINNOW, representing the Montana Federation of Teachers, stated she opposed the bill.

QUESTIONS FROM THE COMMITTEE: None.

REP. COBB closed by stating that there was a misconception here, that he hadn't asked that the bill be tabled, but that if the committee did not agree to amend the effective date that they then table it. He stated that the money is not being collected by the Office of Public Instruction from the federal government and the state is losing \$2 million dollars that could be given to the school districts.

CONSIDERATION OF HOUSE BILL NO. 797:

REP. RAY BRANDEWIE, House District No. 49, sponsor of the bill, stated that section 1 of the bill is a recapture provision, for recapturing additional levies if the proposed general fund budget amount for ANB of the school district exceeds both 1) the median expenditure above the ANB, and 2) the district general fund budget amount for ANB for the FY 87.

REP. BRANDEWIE referred to EXHIBIT # 9, which gives an example of elementary schools from 1 to 25. He said the

lowest amount spent was \$1,528 and the highest amount spent in that category of schools was \$15, 931. He said that is quite a disparity, that the median for that group of schools was \$2,747, and that the time has come to do something in the line of equalization.

PROPOSERS: None.

OPPOSERS:

ERIC FEAVER, President, Montana Education Association, rose in opposition to HB # 797. He noted that REP. BRANDEWIE comes from a school district that fits the classic definition of under-funded by the plaintiffs in the under-funded school suit. He said that unfortunately this bill will not make that suit go away any more than any of the other pieces of legislation this committee has looked at.

Mr. Feaver stated that recapturing above the median also penalizes effort, that there are school districts in the state that are underfunded and yet still exert great effort when it comes to paying for their schools at the voted levy. He said there are better ideas for the committee to consider, 1) to equalize and make mandatory all the permissive mills around the state, 2) to equalize or replace the mandatory retirement levies, 3) to adopt a statewide general sales tax, part of which could be earmarked to the foundation program.

He concluded his statements by saying there must be a response to Initiative 105, and until such time as the legislature responds to that, then any notion that the state can use the voted levy to enhance the pot is simply not going to work. He said he hoped the committee would give a do not pass on HB # 797.

TERRY MINNOW, representing the Montana Federation of Teachers. She stated she rose in strong opposition to HB # 797. She said the bill would take away local control of voted levies and would eliminate the option of increasing funding if the local taxpayers wanted to do so, and is punitive in nature.

DON WALDRON, representing the School Administrators of Montana. Mr. Waldron stated the two main reasons he opposed the bill is that if the voters in his district were told that 10% of their voted mill levy would go to Helena they would not pass the mill levy, and that the bill doesn't take into consideration the changes in enrollment, especially

enrollment increases.

BOB ANDERSON, Montana School Boards Association, stated his main argument would be with the loss of local control. He also urged the sponsor to consider sunseting the bill. He then suggested that an arbitrary third party look at the recaptured amounts, or the districts where there are a recaptured provision.

LARRY LA COUNTE, Superintendent of the Lodge Grass Schools, and representing the Association of Indian Impacted Schools of Montana, stated he wanted to go on record as opposing the bill. He said that each school district has its own unique characteristics about it and the bill fails to take into consideration that there are oftentimes such factors as geographical factors, socio-economic conditions of a districts constituency, bilingual conditions, etc., that require additional funding expenditure for a school district above the median in any particular enrollment group.

QUESTIONS FROM THE COMMITTEE:

A question and answer period followed concerning what part of the figures were voted levies in the exhibit that REP. BRANDEWIE had handed out.

In closing REP. BRANDEWIE stated that at some point in time the legislature was going to have to put some responsibility on the districts to control their costs. He said the constitution says the state will provide a basic education, but will that be that the costs of Lodge Grass multiplied by the number of students in the state to determine that basic cost. He stated that he wanted to deliver a good education to the kids in Montana as much as anybody, but the taxpayers are getting tired of the increased taxes, and it was time to get a handle on this disparity.

REP. BRANDEWIE requested that the committee not gut shoot the bill but give it a clean kill, so he could make the same arguments on the floor and not have to pull the bill off the table.

CONSIDERATION ON HOUSE BILL NO. 683:

REP. NANCY KEENAN, House District No. 66, sponsor of the bill, stated the bill increases school foundation program money by 5 and 6% respectively. She said she would like to address a few points, 1) despite the clear and present deficit, the state must increase the investment in Montana

and not continue to cut education across the board, 2) it must set priorities, and admit that education is more important than subsidies to the wealthy, and multi-state, multi-national corporations, 3) it must increase revenues. REP. KEENAN said that although the committee members may consider the bill a wish list, that the bill was before them because it was founded on fact; the fact that Montana is falling behind as an educational system; the fact that people in the communities cannot afford to bear the burden at that local level and the fact that the state is getting weaker and not stronger in terms of educating and training its citizens.

PROPONENTS:

ERIC FEAVER, President, Montana Education Association, handed out some material, see EXHIBIT # 10, a dissertation by Tom Billodeau, MEA director of research, on the fiscal note. Mr. Feaver stated if the foundation schedules are not increased 5-6% then the cost of public education will accrue ever more greatly to the local voted levy. He said the MEA believes that zero-zero funding or anything less is a no vote for public education. He concluded his testimony by stating that there must be an increase in the foundation program schedules in order to fund the business responsibly at the state level and in order to provide some assurance that the local voted levy will not increase.

DAN HARRINGTON, House District No. 68, stated if the state continues on the present course of 0-0 funding, it would mean a tremendous cut in education across the State of Montana, a cut that would cause a crisis in education.

DON WALDRON, representing the School Administrators of Montana, rose in support of the bill. A copy of his testimony is attached as EXHIBIT # 11.

TERRY MINNOW, representing the Montana Federation of Teachers, rose in strong support of HB #683. She stated it is absolutely essential that public education be adequately funded by the State of Montana. She said the bill is a vehicle to allow the committee to increase the foundation program. If further down the road, the legislature has addressed the problem of revenue, they may be able to find a way to increase the foundation program. The students of Montana deserve no less. She urged the committee to give the bill a favorable vote.

JIM DAVISON, Vice Chairman of the Anaconda School District No. 10 and Chairman of the finance committee of Anaconda School District. He stated he thought the history of the

Anaconda school district is a precursor of what will happen to school districts all over Montana in years to come unless the school districts are funded out of the foundation program. He reviewed the cuts that had been made in the Anaconda school system and stated that they may not be giving the students an accredited education because the dollars are not there to pay for it.

CLAUDETTE MORTON, Executive Secretary for the Board of Public Education, rose in support of the bill. A copy of her testimony is attached as EXHIBIT # 12.

REP. NISBET said he wished to go on record as a proponent of HB # 683.

OPPONENTS:

SANDRA WHITNEY, representing the Montana Taxpayers Association, rose in opposition to the bill. Ms. Whitney stated that the fiscal analyst said that approximately \$8.6 million dollars is the price tag for each percentage increase in the foundation program, and she didn't think the state could afford that.

QUESTIONS FROM THE COMMITTEE: None.

REP. KEENAN closed by noting she had not seen the Montana Taxpayer's Association opposing a bill that lowers revenue in Montana, and if they are going to oppose a bill that gives a raise to schools, she would expect them to oppose money going to the coal companies, the oil companies, etc.. She asked the committee to seriously consider the proposal and not just think of it as a pie in the sky.

ADJOURNMENT:

There being no further business to come before the committee the meeting was adjourned at 2:12 p.m.



REP. JACK SANDS, CHAIRMAN

DAILY ROLL CALL

EDUCATION AND CULTURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date FEB. 20, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. JACK SANDS, CHAIRMAN	X		
REP. RICHARD NELSON, VICE CHRMN.	X		
REP. FRITZ DAILY	X		
REP. RALPH EUDAILY	X		
REP. WILLIAM GLASER	X		
REP. DAN HARRINGTON	X		
REP. NANCY KEENAN	X		
REP. ROLAND KENNERLY	X		
REP. EARL LORY	X		
REP. JOHN MERCER	X		
REP. GERALD NISBET	X		
REP. JOHN PHILLIPS	X		
REP. TED SCHYE	X		
REP. BARRY STANG	X		
REP. TONIA STRATFORD	X		
REP. CHARLES SWYSGOOD	X		
REP. FRED THOMAS			X
REP. MEL WILLIAMS			X

STANDING COMMITTEE REPORT

FEBRUARY 20,

1967

Mr. Speaker: We, the committee on EDUCATION AND CULTURAL RESOURCES

report HOUSE JOINT RESOLUTION NO. 26 34

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☒ as amended
☐ statement of intent attached

Jack Sands
REP. JACK SANDS,

Chairman

JOINT RESOLUTION SUPPORTING JIM DOLAN'S "MT. PRIDE" PUBLIC SCULPTURE PROJECT

1. Page 2, line 7.

Following: line 6

the Insert: "state of"

Following: "Montana"

Strike: "citizen's"

MS
FIRST

reading copy (WHITE)
color

STANDING COMMITTEE REPORT

FEBRUARY 20, 19 87

Mr. Speaker: We, the committee on EDUCATION AND CULTURAL RESOURCES
report HOUSE BILL NO. 725

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☒ as amended
☐ statement of intent attached

REP. JACK SANDS
REP. JACK SANDS,

Chairman

IMPROVE LOCATING OF MISSING CHILDREN BY SCHOOL REQUEST FOR PROOF OF IDENTITY

1. Page 2, line 2.
Following: "44-2-503"
Strike: "or"
Insert: "and"
2. Page 2, line 15,
Following: "program"
Strike: "or"
Insert: "and"
3. Page 2, line 18.
Following: "necessary"
Insert: "for a local law enforcement authority"

FIRST

WHITE

reading copy ()
color

STANDING COMMITTEE REPORT

FEBRUARY 20,

19 87

Mr. Speaker: We, the committee on EDUCATION AND CULTURAL RESOURCES

report HOUSE JOINT RESOLUTION NO. 26

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. JACK SANDS,

Chairman

JOINT RESOLUTION SUPPORTING THE BIG SKY STATE GAMES



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reading copy ()
color

STANDING COMMITTEE REPORT

FEBRUARY 20, 19 87

Mr. Speaker: We, the committee on EDUCATION AND CULTURAL RESOURCES
report HOUSE BILL NO. 619

☒ do pass ☐ be concurred in ☐ as amended
☐ do not pass ☐ be not concurred in ☐ statement of intent attached

REP. JACK SANDS, Chairman

ALLOW SCHOOL TRUSTEES GREATER DISCRETION IN WHERE DISTRICT MONEY
IS INVESTED


FIRST

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reading copy ()
color

STANDING COMMITTEE REPORT

FEBRUARY 20,

1997

Mr. Speaker: We, the committee on EDUCATION AND CULTURAL RESOURCES

report HOUSE BILL NO. 356

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. JACK SANDS,

Chairman

CHANGE DATE WHEN SCHOOL TRUSTEES MUST NOTIFY TEACHER OF TERMINATION



FIRST

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color

STANDING COMMITTEE REPORT

FEBRUARY 20, 19 67

Mr. Speaker: We, the committee on EDUCATION AND CULTURAL RESOURCES
report HOUSE BILL NO. 294

☒ do pass ☐ be concurred in ☐ as amended
☐ do not pass ☐ be not concurred in ☐ statement of intent attached

REP. JACK SANDS,

Chairman

BASE YEAR VOTED LEVY SUBMITTED TO ELECTORS ONCE EVERY 5 YEARS

MS

FIRST

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reading copy (— color)

ROLL CALL VOTE

EDUCATION AND CULTURAL RESOURCES

COMMITTEE

DATE FEB 20, 1987

BILL NO. HB # 294

NUMBER 1

NAME	AYE	NAY
REP. JACK SANDS, CHAIRMAN		✓
REP. RICHARD NELSON, VICE CHAIRMAN	✓	
REP. FRITZ DAILY		
REP. RALPH EUDAILY	✓	
REP. WILLIAM GLASER		✓
REP. DAN HARRINGTON	✓	
REP. NANCY KEENAN	✓	
REP. ROLAND KENNERLY	✓	
REP. EARL LORY	✓	
REP. JOHN MERCER		✓
REP. GERALD NISBET	✓	
REP. JOHN PHILLIPS		✓
REP. TED SCHYE	✓	
REP. BARRY STANG		✓
REP. TONIA STRATFORD		✓
REP. CHARLES SWYSGOOD		✓
REP. FRED THOMAS	✓	
REP. MEL WILLIAMS		✓

TALLY

Sydney Herwin
Secretary

Jack Sands
Chairman

9

8

MOTION: REP. EUDAILY moved DO PASS - motion CARRIED with
9 favorable and 8 opposing votes

WITNESS STATEMENT

EXHIBIT # 1
DATE 2-20-87
HB # 671NAME DAVID LACKMANBILL NO. HB 671ADDRESS 1400 Winne Avenue , Helena, Montana 59601 443-3494DATE 2/20/87WHOM DO YOU REPRESENT? Lobbyist , Montana Public Health AssociationSUPPORT XXXXXXX YES

OPPOSE _____

AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY. Education 1:00 P.M.
Room 312-D Allow Legislature to Define University System (Paul Rapp-Svreck)

Comments: I am testifying today as an educator. Before Montana, I taught for seven years at the Univ. of Penn. Medical School; also was involved in administration. In Montana, I lectured both at the University of Montana , and Montana State Univ. During my long stint on the School Board (Dist. 3, Ravalli County, (Hamilton)), I became familiar with the quality of products from our system. There was considerable variability; those from one institution were employed only as a last resort.

One of my duties was to interpret the Peabody Report on secondary education in Montana; and the Durham Report on post-secondary education, to the public in Ravalli County. (Peabody cost \$19,000; Durham \$6,000) Both were excellent; but recommendations were dismissed as being politically unfeasible.

Now , fiscal realities must be dealt with. Our population of 820,000 can provide only so many dollars. We now put out more than enough money to operate an efficient university system. (HB 659 did suggest some ways in which the system could be improved.) HB 671 is long overdue. I urge its passage. Thank You.

DBL

June 10, 1986

To: Revenue-Taxation
University System Units ✓
Public Education

From: David Lackman, Legislative Lobbyist, Montana Public Health Association *David Lackman*

Subject: Legislative Concerns related to the budget crisis

1. Revenue-Taxation: On Sunday, May 25, 1986, I visited with Bill Groff of the Farmers' State Bank in Victor. Bill is a former Director of the Department of Revenue, and a former state senator concerned with financial affairs. His first recommendation for solving the current fiscal impasse is to re-institute a ten-percent surtax on income. An advantage of this is that it can easily be repealed when no longer needed.

I consider that the only tax exceeding the ability of citizens to pay is the property tax. Other sources of revenue which I would suggest are:

a. A limitation of \$6,000. on the amount of Federal income tax which can be used to offset the state tax. (This would catch me.)

b. Repeal the \$3,600. deduction from state taxation currently granted to Federal retirees. (This would also catch me.)

c. Those additional taxes recommended by Governor Schwinden. However, I am disappointed that he appears not to favor the 10% surtax.

d. Increase the cigarette tax by four cents per pack.

e. Add 20 cents per liter to the wine tax; and three dollars per barrel to the beer tax.

2. Education: One of my duties while a member of the school board in Hamilton was to interpret the Peabody Report (Public Education); and the Durham Report (Post-secondary Education) to the public in Ravalli County. Both of these reports were sound and well presented; but were dismissed as being politically unfeasible. However, it is in the area of education where the property-tax payer takes a "beating." One recommendation in the Peabody Report was that high-school districts in Ravalli County should be reduced from six to three. This would combine Corvallis with Hamilton; Victor with Stevensville- leaving Darby, Hamilton, and Stevensville. We had several meetings with the Corvallis Board urging consolidation- even suggesting a site in Woodside. The project never got off the ground. All our board was able to do was to bring the Grantsdale District into Hamilton.

The situation in the University System is even more ironic financially. The Durham Report cost \$6,000; and was excellent. It recommended closures and consolidations. Presently the units in the system represent a by-gone era when transportation was a consideration, and mining was a mainstay of the economy. Once, at a meeting of University Presidents, I suggested qualifications other than a high-school diploma for entry into the universities. One president "shot me down" because Montana didn't have a community college system. Hence, all comers were entitled to go

TESTIMONY PRESENTED TO THE HOUSE EDUCATION COMMITTEE
FRIDAY, FEBRUARY 20, 1987

Mr. Chairman and Members of the Committee, for the record,
I am Kelly Holmes, Montana College Coalition lobbyist.

I rise in opposition to House Bill 671.

In 1972, the Constitutional Convention met and drafted our State's new Constitution. The members attending this convention were looking out for the good of the people of Montana, then and for the future Montanans yet to come.

In the past 15 years, we have seen many good times, economic prosperity, our natural resources were being exported by the tons, we were all happy and sure these people had their down moments but they passed. They were satisfied.

As time went on the key factors changed. Future Montanans grew older, the Con Con members grew older, times began to change, little by little. The changes were nothing of disaster or emergent attention. These changes were taken as with the time, nothing stays the same forever. They were accepted.

Today, the situation is different. Our State is not in economic prosperity, our economy is depressed. We have all come to accept the fact that it will be a few years before we grow again!

Our University System was altered out of the Con Con. They decided that a governing board should administer policy to the units within the system. The Board of Regents. They did a great job for ten years, but times have changed for the whole state and well, since everyone is making some change- so to shall the University system.

Is returning to the Legislature the ability to define the University System a necessary change. The system as it is now has always been accountable to the Legislature, they have not tried to deceive any one.

Yes, times have changed in Montana. They are really the sorrowful times we thought we would never see-- now it is fair to ask all people, departments, industries, and even agriculture to take a share in cuts. But is it fair to take a system which has adequately served the people and ask them to give up all their individualism and become another department? Is it fair to ask the already burdened Legislature to take on yet another burden?

I believe that the University System has fallen fatal prey to tough

page 2

economic times, and misfortune, a victim. A victim of circumstances uncontrollable by anyone.

Mr. Chairman, Members of the Committee, I ask that you consider the proposal before you. Because everyone has been asked to take a share in budget cuts, reduce their lists to only priorities, and prepare for more hard times to come, is it sensible to ask that you as Legislators, take on an extra project--the University System!

Let us save our extra efforts and use them to better prepare ourselves for the times to come, lets not try out the old system which was changed because of its flaws. Instead lets concentrate on better times and look to the University system to help pull us out of our slump!

Thank you.

EXHIBIT #3
DATE 2-20-87
HB #671



Board of Public Education

Claudette Morton
Executive Secretary

BOARD MEMBERS

TESTIMONY TO THE HOUSE EDUCATION COMMITTEE
ON FEBRUARY 20, 1987

IN OPPOSITION TO HB671 - ALLOW LEGISLATURE TO DEFINE
UNIVERSITY SYSTEM

By Claudette Morton, Executive Secretary
Board of Public Education

EX OFFICIO MEMBERS:

Ted Schwinden, Governor
Ed Argenbright, Superintendent
of Public Instruction
Carrol Krause, Commissioner
of Higher Education

APPOINTED MEMBERS:

Ted Hazelbaker, Chairman
Dillon
Alan Nicholson, Vice-Chairman
Helena
James Graham
Ismay
Sarah "Sally" Listerud
Wolf Point
Arthur "Rocky" Schauer
Libby
Bill Thomas
Great Falls
Thomas A. Thompson
Browning

The Board of Public Education opposes HB671. It seems curious that when times are easy and constitutional boards can make everyone happy that everyone wants them to exercise that constitutional power. They say that's called leadership. But, when times are tough and the same board, with the same power, exercises that power and makes some very painful, but necessary decisions, there are all sorts of efforts to move that power to another and, I would submit, more political authority. It is certainly true that in its difficult decisions the Board of Regents has made lots of people and groups unhappy. The Board of Public Education does not support all of the Regents' decisions, but we do support their right to make those decisions, and we do believe in the integrity of the Board of Regents.

The framers of the constitution were very careful to provide a delicate balance of power between the board which sets policy and, in so doing, defines the university system and the legislature which funds that system. HB671 upsets that balance and the Board of Education urges the committee to not pass HB671.

TESTIMONY

Presented By:

Paul Tuss, President

Associated Students of the University of Montana

Education and Cultural Resources

House Bill 820

February 20, 1987

Mr. Chairman and Members of the Committee:

My name is Paul Tuss and I am President of the Associated Students of the University of Montana (ASUM). I am here today to express ASUM's support of House Bill 820.

We are supporting this piece of legislation because a recent legislative auditor's determination will cause our student government association to lose a large portion of its revenues. The auditor has determined that our student government is in a current designated fund category, and thus interest earned on our accumulated balances would be forfeited to the state's general fund. We have been told that there is no other category choice ASUM fits into under current statute. House Bill 820 would exempt ASUM from this restrictive category.

It is our position that student governments should be exempt from the current statute.

First, student governments are unique entities that are supported by student activity fees--a form of self-taxation sanctioned by the state. We are entrusted with student monies to allocate to programs and activities that support students and make our campuses a better overall environment. These activities encourage new students to enroll in our colleges and universities and thus generate revenue for our state. Activity fees are not traditional tax dollars coming from traditional taxpayers.

Second, student governments predate many of the statutes that now affect us. Student governments were not really considered when these statutes were drafted to cover "normal" state government entities. We are asking to be treated according to our own unique characteristics.

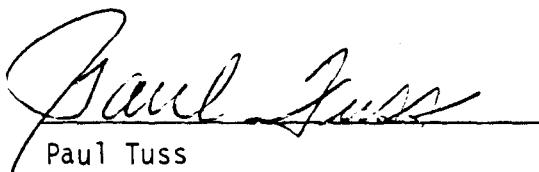
Third, this bill will not take away existing revenues from the state; the state has not relied on these revenues before. However, student government

at the University of Montana and our activities would be drastically affected. Already ASUM is facing a major financial crisis; cutting back on employees, clubs, programs and activities. These are small things but mean much to the students. Very shortly ASUM will allocate approximately \$407,000 to its various organizations and programs. This figure represents a 29% decrease in our funds in just three short years. The interest our funds generate is not all that much to state government, especially when they have not had it before. However, the loss to ASUM would be catastrophic.

Lastly, the Attorney General has looked at this situation. He has suggested the need for a legislative remedy. He endorses this piece of legislation and recommends its passage. In addition, the Commissioner of Higher Education has endorsed this bill and also recommends its passage.

I thank you for your time and would appreciate your support of House Bill 820.

Respectfully submitted,

A handwritten signature in cursive script, reading "Paul Tuss", written over a horizontal line.

Paul Tuss

President

Associated Students of the University of Montana

EXHIBIT #5
 DATE 2-20-87
 HB #630

AVERAGE LOSS FOR ELEMENTARY DISTRICTS:	35.28	} 34.48 %
AVERAGE OF EL/HS:		
AVERAGE LOSS FOR HIGH SCHOOL DISTRICTS:	33.69	

DISTRICT	45 MILLS LOCAL REVENUE	45 MILLS STATE REVENUE	APPROXIMATE REVENUE LOSS
BROWNING HS	1,194,648	792,172	402,476
POPLAR HS	498,445	330,519	167,926
COLSTRIP EL	64,306	41,619	22,687
TROY EL	27,793	17,988	9,805
LODGE GRASS EL	1,102,000	713,214	388,786

FY 87 FUNDS RECEIVED TO DATE= 11,100,322
 34.48% REDUCTION 7,272,931

FY 86 FUNDS RECEIVED TO DATE= 20,900,252
 34.48% REDUCTION 13,693,845



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE ASSISTANT SECRETARY
FOR ELEMENTARY AND SECONDARY EDUCATION

10 OCT 1986

RECEIVED
DEPARTMENT
OF PUBLIC INSTRUCTION

Honorable Ed Argenbright
Superintendent of Public Instruction
State Office of Public Instruction
State Capitol
Helena, Montana 59620

EXHIBIT #6
DATE 2.20.87
HB #630

Dear Mr. Argenbright:

Effective on October 1, 1980, section 3(d)(3) of the Impact Aid statute (Public Law 81-874) was amended by Public Law 99-349 (enacted on July 2, 1986) by redesignating subparagraph (C) as subparagraph (D), and by adding after subparagraph (B) the following new paragraph:

"(C) The local contribution rate for a local educational agency shall include current expenditures from that portion of a real property tax required to be levied, collected, and distributed to local educational agencies by county governments pursuant to State law where the remainder of such real property tax is transferred to the State."

Under this legislation, for the purpose of establishing local contribution rates, local revenues in Montana will consist of the proceeds from those portions of the property tax rate called the "district permissive share" and the "district voted levy," and the proceeds from the "mandatory county levy plus other funds" which are actually distributed to school districts within that county. The surplus county funds that are deposited in the State equalization aid account will be considered as State funds.

You must certify that the rate data you submitted for fiscal years 1981, 1982, 1983, 1984, 1985, and 1986 for the establishment of local contribution rates and current per pupil expenditures for applicants under Title I of Public Law 81-874 have been computed in accordance with the amendment or, you must resubmit data computed in accordance with the amendment for each year in question. As you are aware,

Lynda B. ...
Ray Shackles
CF - 303.1



UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, D.C. 20202

APR 4 1986

RECEIVED
OFFICE OF PUBLIC INSTRUCTION
MONTANA

Mr. Robert W. Stockton, Director
State Aid and Transportation
Office of Public Instruction
State Capitol
Helena, Montana 59620

Dear Mr. Stockton:

This is a follow-up to our July 16, 1985 letter (enclosed) to you in which we discussed the calculation of local contribution rates for fiscal year 1986 based on the final 1983-84 data.

Subsequent to the letter, we discovered that the basic county levies used for county equalization of the Foundation Program for districts within each county have been ruled as State taxes by the Montana Supreme Court. Therefore, the Basic County levy of 28 mills for elementary and 17 mill's for high schools are to be considered as State funds and are not to be utilized in the computation of a local contribution rate (LCR).

The proposed local contribution rates established under the generally comparable district method for FY 1986 submitted by the Montana Office of Public Instruction January 3, 1986 will have to be recalculated excluding all monies generated from the 28 mill and 17 mill levies for elementary and high school districts respectively.

In order to avoid payments based upon incorrect data' (LCRs) we will suspend all further-payment actions for fiscal year 1986 pending the receipt of a revision of 1986 proposed LCR's established under the generally comparable district method and based upon "revenues derived from local sources only."

We are sending a copy of this letter to all Montana applicants for 1986.

If you should have any questions, please contact Dr. R. E. Farning, Chief, School Assistance Branch, Division of Impact Aid, at (202) 245-8171.

Sincerely,

Lois Bowman
Lois Bowman
Deputy Assistant Secretary
Office of Elementary and
Secondary Education

Enclosure

Lois Bowman
Bob Stockton
Ray Shackelford
CFL-211

LODGE GRASS PUBLIC SCHOOLS

DISTRICTS NO. 2 & 27

LODGE GRASS, MONTANA 59050-0559

Phone 406-639-2385

February 17, 1987

TO: Jack Sands, Chairman
Education & Cultural Resources
Angela Russell, Representative

FROM: Larry LaCounte, Superintendent
Lodge Grass Public Schools

RE: HB 630

It is my understanding that HB 630 is intended, among other things, to centralize the collection and distribution of the 45 mill mandatory county levy for school equalization aid with the state. This is no doubt in response to the legislative audit report on the Office of Public Instruction. While I can appreciate the need to comply with generally accepted accounting practices I also must attempt to inform you of a devastating implication of this piece of legislation.

Last year the Department of Education became aware of a state attorney general opinion (No. 12651) in which it was ruled that "... a basic 40 mill tax for ... schools on property in county is a state rather than a local tax...". Subsequently the DOE ruled that the 45 mill levy was "not to be utilized in the computation of a local contribution rate (LCR)". The LCR is used in the formula for determining the entitlement rate under the comparable district method for Impact Aid under P.L. 81-874. Fortunately, through the cooperative efforts of Senators Melcher and Baucus and Representative Williams and Marlenee, a Melcher amendment was passed preventing the DOE from affecting that determination on the state of Montana, stating in effect that the 45 mill mandatory county levy is to be considered local and not state, because it is collected and distributed by the county.

It appears that HB 630 may well negate the effect of the Melcher amendment. HB 630, it seems, clearly defines the mandatory levy as a state levy and consequently the DOE ruling will result in a loss of approximately \$577,000 to Lodge Grass Schools alone and some \$10M-\$11M state-wide. Surely there is a way to comply with accounting requirements and not lose that kind of revenue to the state. If not, inasmuch as the state has apparently been out of compliance for many years and survived, compliance may not be worth that price at this time.

LODGE GRASS PUBLIC SCHOOLS

DISTRICTS NO. 2 & 27

LODGE GRASS, MONTANA 59050-0559

Phone 406-639-2385

In January, 1987 the Board of Public Education submitted a resolution to the legislature requesting in part that any legislaion affecting Impact Aid be prepared carefully and only in consultation with representatives of the Indian Impact Schools of Montana. It is our wish, as I am sure it is yours, to assure the maximum Impact Aid revenue to the state of Montana allowable under the law. It is impossible to know all the implications of proposed legislation. This \$10M-\$11M loss in revenue can not be lost and forgotten; it, in large part, must be made up through property tax or other means.

I urge that amendment to HB 630 be considered which will satisfy the intent of the sponsors and protect this unique form of revenue to the state and affected school districts. If I might be of assistance in that endeavor please contact me.

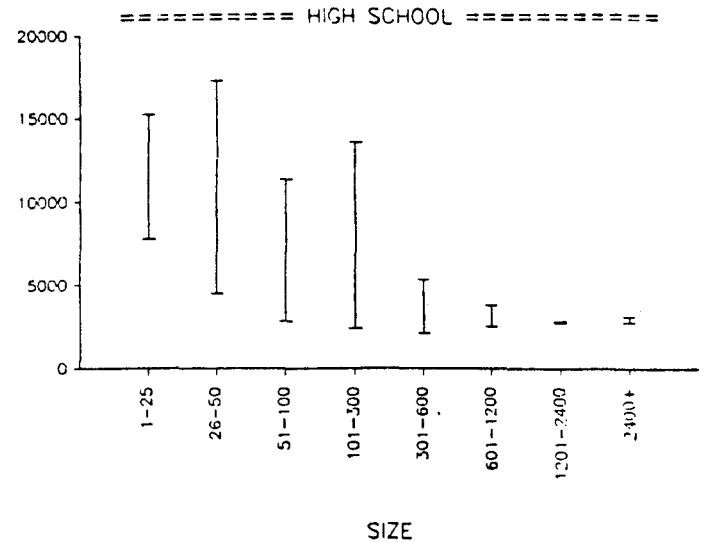
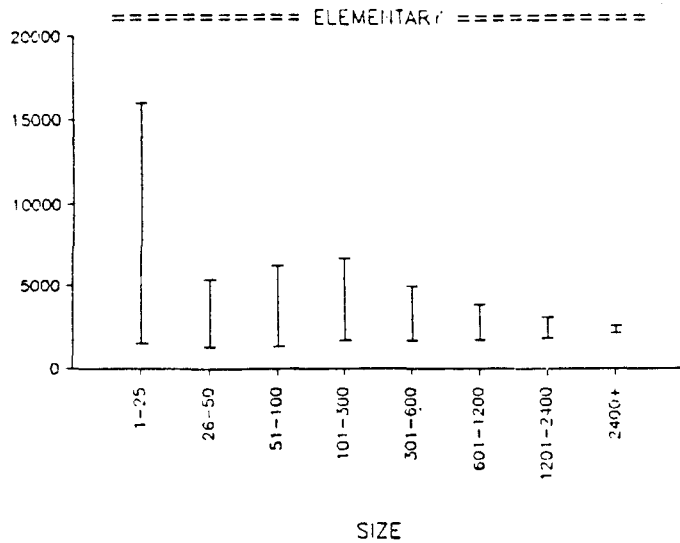
Thank you for your consideration.

Sincerely,



Larry LaCounte

School Cost Per ANB and by School Size in Dollars



Cost Per ANB by District Size — FY 86

Elementary			High School			
School Size	Low	Median	High	Low	Median	High
1-25	1528	2747	15,931	7727	10,449	15,211
26-50	1307	2009	5393	4452	6697	17,286
51-100	1359	3096	6239	2822	5051	11,370
101-300	1730	2537	6681	2396	3682	13,526
301-600	1698	2158	4971	2125	2948	5350
601-1200	1739	2116	3839	2541	2989	3813
1201-2400	1888	2118	3103	2787	2813	2854
2400+	2162	2402	2573	2810	3023	3157



Montana Education Association 1232 East Sixth Avenue • Helena • Montana 59601 • 406-442-4250

EXHIBIT # 10
DATE 2-20-87
HB # 683

HB 683

BEFORE THE HOUSE EDUCATION COMMITTEE

FEBRUARY 20, 1987

SUPPLEMENTAL FISCAL ANALYSES DEMONSTRATING LOWER ANTICIPATED GENERAL FUND
COSTS ASSOCIATED WITH ENACTMENT OF HB 683 THAN ESTIMATED IN THE FISCAL NOTE
OF FEBRUARY 16, 1987

SUBMITTED IN SUPPORT OF HB 683 BY THE
MONTANA EDUCATION ASSOCIATION

SUMMARY

Compilation of FY87 ANB and statewide Maximum General Fund Budget Without A Vote (MGFBWV) totals was largely completed by OPI from local school districts' 1986-87 budgets in early January 1987. This data allows a nearly exact indication of FY87 MGFBWV and ANB levels and thus permits more precise projections of FY88 and FY89 budget levels. This more current and "best available" source data may reasonably be presumed more accurate than earlier estimates made by MEA Research (12/86), the Governor's Office (12/86), and/or LFA (1/87). Accordingly, MEA Research has extrapolated (selectively excerpted) relevant ANB and MGFBWV data from the available OPI records to present a comparison of current and projected Foundation Program costs under current law (+0%/+0% schedule constants) and the proposed law contemplated by HB 683 (+5%/+6% schedule increases). This extrapolated data is contrasted with the previous estimates made by MEA, the Governor's Office, LFA, and more recently, the information presented in the Fiscal Note (FN) assigned to HB 683 on February 16, 1987.

The comparison of estimates demonstrates general agreement on the current FY87 level of MGFBWV. However, projected FY88 and FY89 MGFBWV levels vary widely among the analysts largely due to differing projections of ANB growth. OPI's ANB projections—probably the most accurate due to factoring of birth, enrollment by levels and graduation rates, as well as ANB trend analysis—indicate a loss of -.4% ANB in FY88 and a gain of +.24% in FY89. MEA's estimate of ANB growth was set at +.3% each year of the biennium. The Governor's Office, as near as can be determined, estimated ANB growth of +.53% in FY88 and +.26% in FY89. LFA's ANB estimates were higher yet at +.72% in FY88 and +.52% in FY89. The variance in ANB projections largely accounts for most, though not all, of the different reported biennial MGFBWV levels. These varying levels, either extrapolated from the available data or published by the analysts, are indicated on the back. (All figures in rounded millions.)

	FY88		FY89	
	0%	+5%	0%	+6%
OPI	282.15	296.28	282.83	314.81
MEA	284.17	298.37	285.02	317.22
GOV	285.43	299.67	286.19	318.47
LFA	285.36	299.62	286.84	319.25
(FN	285.43	299.71	286.18	317.68)

The MEA believes that the most recent and "best available" current and projected data concerning expenditure levels is that which is derived from OPI records and accordingly that it should be used as a primary expenditure predictor. An expenditure "cushion" might be offered for the sake of fiscal conservatism by adopting the MEA estimates. In either case, as detailed on the last page of this report, the biennial General Fund "cost" of HB 683 is far below the level indicated by the fiscal note.* Using the extrapolated OPI data, a \$6.3 million biennial "savings" is noted; whereas MEA conservatively estimates a \$1.8 million "savings" vis-a-vis the fiscal note.

Finally, as has often been expressed by MEA and others, and as is demonstrated by the experience of the 1983 biennium, General Fund appropriations to raise the Foundation Program schedules constitute an affirmative step by the Legislature to both fund quality public education in Montana and to provide assistance to local districts' education funding efforts on a fair, equitable, and equalized basis. Ultimately, the "difference" in general fund levels under current law and as proposed under HB 683 roughly equals the local property taxpayer dollar saved and/or the value of a local school program improved. It is an investment well made.

*General Fund "savings" vis-a-vis the fiscal note necessarily requires an assessment of anticipated revenues from non-General Fund sources. For the purposes of this report, MEA has utilized the non-General Fund revenue levels indicated by the Governor in his budget and as presented by the fiscal note. It is further noted that the Governor's biennial non-General Fund revenue level of \$475.522 million is \$1.5 million less than projected by LFA (1/87).

COMPARATIVE ANALYSES

The following analyses of extrapolated OPI, MEA Research, Governor's Office, LFA, and Fiscal Note estimates are presented in a common format. Each analysis proceeds from the particular entity's stated FY87 ANB and MGFBWV levels and projections are built for FY88 and FY89 according to the entity's stated FY87 levels and each entity's expressed projection of ANB growth. (All figures in rounded millions.)

(1) EXTRAPOLATED OPI DATA (1/87):

FY87

ANB = 150,797
MGFBWV = \$283.31

FY88 (Annual Fiscal Year % or \$ Change)

ANB = 150,180 (-.4%)
MGFBWV (\$ change from FY87)
A. +0% schedule = \$282.15 (-\$1.16)
B. +5% schedule = \$296.28 (+\$12.97)

FY89 (Annual Fiscal Year % or \$ Change)

ANB = 150,551 (+.24%)
MGFBWV (\$ change from FY88)
A. +0% schedule = \$282.83 (+\$.67)
B. +6% schedule = \$314.81 (+\$18.53)

1989 Biennial Cost Over FY87 MGFBWV

A. 0% + 0% = -\$.49
B. 5% + 6% = +\$31.5

Biennial difference of proposed law (B) - current law (A) = \$31.9

FY89 MGFBWV Level: A. \$282.83 B. \$314.81

(2) MEA RESEARCH (12/86)

FY87

ANB = 150,797
MGFBWV = \$283.32

FY88 (Annual Fiscal Year % or \$ Change)

ANB = 151,249 (+.3%)
MGFBWV (\$ change from FY87)
A. +0% schedule = \$284.17 (+\$.85)
B. +5% schedule = \$298.37 (+\$15.05)

FY89 (Annual Fiscal Year % or \$ Change)

ANB = 151,702 (+.3%)
MGFBWV (\$ change from FY88)
A. +0% schedule = \$285.02 (+\$.85)
B. +6% schedule = \$317.22 (+\$18.85)

1989 Biennial Cost Over FY 87 MGFBWV

A. 0% + 0% schedules = +\$1.7
B. 5% + 6% schedules = +\$33.9

Biennial difference of proposed law (B) - current law (A) = +\$32.2

FY89 MGFBWV Level: A. \$285.02 B. \$317.22

(3) GOVERNOR'S BUDGET (12/86)

FY87

ANB = 151,000 (extrapolated number)
MGFBWV = \$283.93

FY88 (Annual Fiscal Year % or \$ Change)

ANB = 151,806 (+.53%)
MGFBWV (\$ change from FY87)
A. +0% schedule = \$285.43 (+\$1.5)
B. +5% schedule = \$299.67 (+\$15.74)

FY89 (Annual Fiscal Year % or \$ Change)

ANB = 152,200 (+.26%)
MGFBWV (\$ change from FY88)
A. +0% schedule = \$286.19 (+\$.76)
B. +6% schedule = \$318.47 (+\$18.8)

1989 Biennial Cost Over FY87 MGFBWV

A. 0% + 0% = \$2.26
B. 5% + 6% = \$34.54

Biennial difference of proposed law (B) - current law (A) = \$32.28

FY89 MGFBWV Level: A. \$286.19 B. \$318.47

(4) LFA BUDGET ANALYSIS (1/87)

FY 87

ANB = 150,727
MGFBWV = \$283.32

FY88

ANB = \$151,806 (+.72%)
MGFBWV (\$ change from FY87)
A. +0% schedule = \$285.36 (+\$2.04)
B. +5% schedule = \$299.62 (\$16.3)

FY89

ANB = \$152,592 (+.52%)
MGFBWV (\$ change from FY88)
A. +0% schedule = \$286.84 (+\$1.48)
B. +6% schedule = \$319.25 (+\$19.63)

1989 Biennial Cost Over FY87 MGFBWV

A. 0% + 0% schedules = +\$3.52
B. 5% + 6% schedules = +\$35.6

FY89 MGFBWV Level: A. \$286.84 B. \$319.25

OPI, MEA, GOVERNOR'S AND LFA PROJECTIONS vs. FISCAL NOTE (2/16/87)

"EXPENDITURES"

FISCAL NOTE

	<u>FY88</u>			<u>FY89</u>		
	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
<u>FP/MGFBWV</u> (FP+Permissive)	285,435,000	299,706,750	14,271,750	286,185,000	317,689,155	31,504,155
<u>OPI</u>	282,150,000	296,280,000	14,130,000	282,830,000	314,810,000	31,980,000
<u>Difference from FN</u>	-3,285,000	-3,426,750		-3,355,000	-2,879,155	
<u>MEA</u>	284,170,000	298,370,000	14,200,000	285,020,000	317,220,000	32,200,000
<u>Difference from FN</u>	-1,265,000	-1,336,750		-1,165,000	-469,155	
<u>GOVERNOR</u>	285,430,000	299,670,000	14,240,000	286,190,000	318,470,000	32,280,000
<u>Difference from FN</u>	-5,000	-36,750		+5,000	-780,845	
<u>LFA</u>	285,360,000	299,620,000	14,260,000	286,840,000	319,250,000	32,410,000
<u>Difference from FN</u>	-75,000	-86,000		+655	+1,560,845	

FISCAL NOTE

Assuming FN "Other State Revenue" Levels
General Fund Revenue Required

	FY88			FY89		
	Current	Proposed	Difference	Current	Proposed	Difference
OPI	49,358,000	63,488,000	14,130,000	40,100,000	72,080,000	31,980,000
GF "Savings" v. FN	3,285,000	3,426,750		3,355,000	2,879,155	
Biennial "Savings" v. FN				6,640,000	6,305,905	
MEA	51,378,000	65,578,000	14,200,000	42,290,000	74,490,000	32,200,000
GF "Savings" v. FN	1,265,000	1,336,750		1,165,000	469,155	
Biennial "Savings" v. FN				2,430,000	1,805,905	
GOVERNOR	52,638,000	66,878,000	14,240,000	43,460,000	75,740,000	32,280,000
GF "Savings/Losses"						
v. FN	5,000	36,750		-5,000	-780,845	
Biennial "Savings/Losses"						
v. FN				0	-152,494	
LFA	52,568,000	66,828,000	14,260,000	44,110,000	76,520,000	32,410,000
GF "Savings/Losses"						
v. FN	75,000	86,750		-655,000	-1,560,845	
Biennial "Savings/Losses"						
v. FN				-580,000	-1,474,095	

OPI, MEA, GOVERNOR'S AND LFA PROJECTIONS vs. FISCAL NOTE (2/16/87)

"EXPENDITURES"

FISCAL NOTE

	FY88			FY89		
	Current	Proposed	Difference	Current	Proposed	Difference
FP/MGFBWV (FP+Permissive)	285,435,000	299,786,750	14,271,750	286,185,000	317,689,155	31,504,155
OPI	282,150,000	296,280,000	14,130,000	282,830,000	314,810,000	31,980,000
Difference from FN	-3,285,000	-3,426,750		-3,355,000	-2,879,155	
MEA	284,170,000	298,370,000	14,200,000	285,020,000	317,220,000	32,200,000
Difference from FN	-1,265,000	-1,336,750		-1,165,000	-469,155	
GOVERNOR	285,430,000	299,670,000	14,240,000	286,190,000	318,470,000	32,280,000
Difference from FN	-5,000	-36,750		+5,000	-780,845	
LFA	285,360,000	299,620,000	14,260,000	286,840,000	319,250,000	32,410,000
Difference from FN	-75,000	-86,000		+655	+1,560,845	

HELLGATE ELEMENTARY SCHOOL

DISTRICT NO. 4

2385 FLYNN LANE

MISSOULA, MONTANA 59802

Established in 1869

K-5th PRINCIPAL 721-2160

6th-8th PRINCIPAL 549-6109

SUPERINTENDENT 728-5626

BUSINESS OFFICE 728-5626

February 20, 1987

Representative Jack Sands, Chairman
House Education Committee
State Capitol
Helena, Montana 59601

RE: House Bill 683

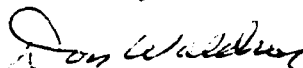
Dear Representative Sands:

The School Administrators of Montana are naturally supportive of this measure to increase the maximum general fund budget for schools. I would like to briefly discuss our reasoning.

Since the 1985-86 school year, the foundation program schedule has gained 1%. You recall in the 1985-86 special session, we lost 3% that was promised in good faith by the legislature. School administrators and school boards of Montana have allowed teachers to negotiate salary schedules with built in increases. These increases run from approximately 2.75% to 3.25%. Many school districts operate on a general fund budget for total salaries and fringe benefits of 80% to 83%. This creates an automatic increase of 3% each year to keep salary schedules in tact without any change in the base, so you can see that we need approximately 2.5% from the legislature to stay even. In 1985-86 we were given 4% which kept us in the ball park and allowed us to give a little increase on the base, but then this was taken away during the special session. The increase in HB 683 is not sufficient to maintain the same status we had in 1985-86. In all good faith, I can recommend to you nothing less than 5% the first year and 2.5% the second year. This would have us holding our own over a three year period. Just as a reminder to your committee--we are locked into these negotiated salary schedules for two years at a time. Even if we do not change the schedules, the Forsythe Decision states that we have to give teachers a step increase (representing approximately 3%).

We do not expect the same efforts that were given in the late 70's and 80's by the legislature to fund education, as I am sure they would like. I am asking to keep us in the ball park; so that when the good days return, we will be able to move education along to the position it belongs. The School Administrators of Montana urge you to ~~defeat~~ ^{support} HB 683.

Sincerely,



Donald R. Waldron
SAM Legislative Chairman

Over One Century of Quality Education

EXHIBIT #11
DATE 2-20-87
HB #683



Board of Public Education

EXHIBIT # 12
DATE 2-20-87
HB # 683

BOARD MEMBERS
EX OFFICIO MEMBERS:

Ted Schwinden, Governor

Ed Argenbright, Superintendent
of Public Instruction

Carol Krause, Commissioner
of Higher Education

APPOINTED MEMBERS:

Ted Hazelbaker, Chairman
Dillon

Alan Nicholson, Vice-Chairman
Helena

James Graham
Ismay

Sarah "Sally" Listerud
Wolf Point

Arthur "Rocky" Schauer
Libby

Bill Thomas
Great Falls

Thomas A. Thompson
Browning

TESTIMONY TO THE HOUSE EDUCATION COMMITTEE
ON FEBRUARY 20, 1987
IN SUPPORT OF HB683 - INCREASE MAXIMUM GENERAL FUND
BUDGET FOR SCHOOLS

Claudette Morton
Executive Secretary

By Claudette Morton, Executive Secretary
Board of Public Education

At its February 18 conference call meeting the Board of Public Education voted to support HB683. The Board did so recognizing full well that these are difficult times for the state of Montana but the Board recognizes that these are even more difficult times for the local taxpayers of Montana. To not fund education at the state level is to put an even heavier burden on the local taxpayers even if the schools only maintain their current budget. With the passage of I105 and the near passage of CI27 it would be irresponsible of the state to knowingly increase the property tax burden. To fund the Foundation Program at less than 5 and 6 is to significantly increase the needed voted levy. Given the political realities, increased voted levies will not pass. Contrary to a lot of popular opinion, schools have and are cutting their budgets. A few who enjoy special revenue money have been exempt from the budget cuts but the calls and letters to the Board of Public Education very clearly tell me sad stories of lost programs and personnel. The Board of Public Education shall continue to work with the Legislature, all aspects of education and the

public to ensure quality education and fiscal responsibility of the public schools. We support additional revenue sources to fund the Foundation Program if necessary.

We know it is not easy to balance the budget but we ask you, please, to not balance Montana's budget on the backs of the public schools, which has been done in the past. We urge the committee to pass HB683 and support public education at this critical time.



Board of Public Education

EXHIBIT # 13

DATE 2-20-87

HB # 630

BOARD MEMBERS

EX OFFICIO MEMBERS:

Ted Schwinden, Governor

Ed Argenbright, Superintendent
of Public Instruction

Carrol Krause, Commissioner
of Higher Education

APPOINTED MEMBERS:

Ted Hazelbaker, Chairman
Dillon

Alan Nicholson, Vice-Chairman
Helena

James Graham
Ismay

Sarah "Sally" Listerud
Wolf Point

Arthur "Rocky" Schauer
Libby

Bill Thomas
Great Falls

Thomas A. Thompson
Browning

TESTIMONY TO THE HOUSE EDUCATION COMMITTEE
ON FEBRUARY 20, 1987
IN OPPOSITION TO HB630 - CENTRALIZE COLLECTION AND
DISTRIBUTION OF SCHOOL EQUALIZATION AID WITH STATE

By Claudette Morton, Executive Secretary
Board of Public Education

Claudette Morton
Executive Secretary

The Board of Public Education in its study to take steps toward administrative and structural reorganization of the public school system that would result in cost savings at local and state levels and to report back to the Fiftieth Legislature in response to SB15 found that there were specific problems with adjusting state and local funds for impact aid schools. At its January meeting, the board went on record as opposed to losing any of those funds. In the subsequent report to the Legislature, the board recommended that the Legislature consider use of P.L. 81-874 funds only after consultation with locally affected schools and the U.S. Department of Education to ensure that Montana continues to receive the maximum amount of P.L. 81-874 funds provided by law. There is widespread concern among those affected schools that the state could lose 10 to 12 million dollars a year in lost 874 funds if HB630 were passed. We would urge careful and thorough investigation with the federal government before enacting this legislation.

Therefore, at this time, we must opposed HB630 and we would urge the committee to vote do not pass.

VISITORS' REGISTER

EDUCATION AND CULTURAL RESOURCES

COMMITTEE

BILL NO. HOUSE BILL NO. 630

DATE February 20, 1987

SPONSOR REP. PECK

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Bob Anderson	MSDA		✓
Elivore Collins	Co. Super. Assoc.		✓
RANDY JOHNSON	BRENNING SCHOOLS		✓
Don Waldron	S. A. M.		-
Charidelle Morton	Board of Public Ed		✓
Jane Jensen	EMC		✓
Emerg Smith	EMC		✓
Carl Harrington	Mont. County Treas. Ass		✓
Ethel Mullins	EMC		✓
Sally Thundertott	EMC		✓
PATRICIA CLOUD	EMC		✓
Danna Doornick	EMC		✓
Barb Porter	MEA		
Eri Leaver	MSA		✓
V. Haigh	MSA		✓
Lucy Wiggins	MEA		✓

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

EDUCATION AND CULTURAL RESOURCES COMMITTEE

BILL NO. HOUSE BILL 671

DATE FEBRUARY 20, 1987

SPONSOR REP. RAPP-SVRCEK

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Kelly Holmes	MT College Coalition		✓
DAVID LACKMAN	MT Public Health Assn	✓	
Nicole Remmich	EMC		✓
Andrew Young	EMC		✓
Dianna Procter	EMC		
Deborah M. Hodge	EMC		✓
Tim Barth	MSU	X	
Claudette Norton	Board of Public CQ		X
Carol J. Francis	Comm of H. of		X
ROB BELL	State of		X
Ida Schlosser	EMC Assn. Striker	✓	X
Egbert Mullins	EMC		X
Charles E. Stet	EMC		✓
Clayton A. Anderson	EMC		✓
Rendall McRae	EMC		✓
Connie Speed	EMC		X
Sharon Lemke	EMC		✓
Sally Thundersett	EMC	✓	
Suzie McPeak	EMC		✓

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

EDUCATION AND CULTURAL RESOURCES COMMITTEE

COMMITTEE

DATE _____

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

EDUCATION AND CULTURAL RESOURCES COMMITTEE

BILL NO. HOUSE BILL NO. 683

DATE FEBRUARY 20, 1987

SPONSOR REP. KEENAN

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Sandra Whitner	Montaf		✓
P. Henry	MEA	✓	
Mervie K. Gangstad	MEA	✓	
Harold Kelly	MEA		
William Stups	MEA	✓	
Don Waldron	S.A.M.	✓	
TOM BILODEAU	MEA		
Connie Speed	Blep EMC	✓	
Sherrice French	EMC	✓	
Kristie Purser	EMC		✓
Emerg Smith	EMC	✓	
James H. Davidson	Anacanda Dist #10	✓	
Claudette Mottom	Board of Public Ed	✓	
Heather			
J. D. Vezev	MEA	✓	
Margaret Benson Neller	collegen student	✓	
Patty Nichols	EMC		✓
Ethel Mullins	EMC	✓	
Sally Thunderbolt	EMC	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

EDUCATION AND CULTURAL RESOURCES COMMITTEE

EDUCATION AND CULTURAL RESOURCES COMMITTEE

DATE 2/20/87

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

EDUCATION AND CULTURAL RESOURCES COMMITTEE

BILL NO. HOUSE BILL NO. 797

DATE FEBRUARY 20, 1987

SPONSOR REP. BRANDEWIE

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Bob Anderson	MSBA		✓
Bill Shikany	BEA		✓
H. Hays	MEA		✓
S. Hays	MEA		
Roger Johnston	MEA		
Mike Meyer	MEA		
Connie Daniels	Proconde / Deer Lodge		
Doug & Wall	44 Club / Sam's / Shiloh		
JH Asler	MEA		
Sandra L. Zeller	MEA		
RANDY L. Lott			
Bernie Kendall	EMC		
Susan Nail	ENIC		
Tom Duffly	MSU		
Jon Carter	MSU		
E. Myers	MSU	✓	
H. E. Gardner	MSU		
Julia M. Peake	Eastern MT College		
Paul L. Holmes	EMC	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

EDUCATION AND CULTURAL RESOURCES COMMITTEE

BILL NO.

HB# 199

DATE

SPONSOR

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Emily Smith	EMC	✓	
Patty A. Nichols	EMC		
Pamela Wolfe	EMC	✓	
Jamie Markeson	Carton Co.		✓
Erin Flew	MEA		✓
Matthew			
Lucy Wiggins	MEA		✓

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

EDUCATION AND CULTURAL RESOURCES COMMITTEE

BILL NO. HOUSE BILL NO. 820

DATE FEBRUARY 20, 1987

SPONSOR REP. FRITZ

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Kelly Holmes	MT College Coalition	✓	
Paul Juss	Associated Students-UofM	✓	
Wally Korinek	AS-MSU	X	
Mariah Bettise	AS-UofM	X	
Rob Bell	ASUM	+	
Laura Jensen	ASUM UofM	X	
Nole E. Olson	ASUM - UofM	X	
Emery Smith	EMC	✓	
Jack Noble	HIGHER ED. COMMISSIONER'S OFFICE	✓	
MATT THIEL	ASS. STUDENTS UofM	✓	
Gda Schlosser	Acc Student	✓	
Patty Nichols	EMC	✓	
Ethel Mullin	EMC	✓	
Charles O'Neil	EMC	✓	
Clifton A. Anderson	EMC	✓	
Hendall McRae	EMC	✓	
Connie David	EMC	X	
Sharon Kerck	C.M.C.	✓	
Paul Shively	UofM	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

EDUCATION AND CULTURAL RESOURCES COMMITTEE

BILL NO. HB # 820

DATE _____

SPONSOR _____

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Sylvia McPeak	Eastern MT College	X	
Paul L. Haines	EMC	X	
Melissa Dulin	MSU el. education	X	
Sally Thunderbolt	EMC	X	
Patricia Cloud	EMC	X	
Donna Doornek	EMC	X	
Peni Rehkopf	EMC	X	
Darcy Rehkopf	Bls.	X	
U. Hain	pr 5/18	✓	
Lucy Wiggins	MEA	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.