

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

March 20, 1987

The twenty-fourth meeting of the Senate Education and Cultural Resources Committee was called to order at 1:00 p.m. by the chairman, Senator Bob Brown, in Room 402 of the State Capitol.

ROLL CALL: All committee members were present.

CONSIDERATION OF HOUSE BILL 340: REPRESENTATIVE DONALDSON, District 43, sponsor of the bill, said the bill revises the method of calculating the ANB of a district for funding purposes. He said when there are a number of schools in a district and a separate 7th and 8th grade, the ANB is driven up. Also, if a school is partially or wholly just outside the city limits, the ANB is driven up. Schools can be just a few yards apart and yet one can be receiving a considerably larger amount of ANB, due just to location. The bill could have a potential savings of \$1.5 million and becomes effective in the school year 1989-90. The bill encompasses schools within 3 miles of the city limits. Representative Donaldson presented a proposed amendment which would clarify the language regarding the 1989-90 school year designation. (Exhibit 1)

PROPOSERS: SANDRA WHITNEY, Montana Taxpayers Association, said her Association looks at the school audits every year. She said in Ravalli County, Hamilton and Polson, the schools inside the city limits receive 15% less in ANB payments than the schools outside the city limits. In Stevensville and Deer Lodge they receive 19% less inside the limits. She said this is neither equitable nor constitutional. It costs more money and encourages schools to build outside the city limits, or build additions outside the limits. She felt the phase-in time in the bill is good as it allows for planning in those districts which will be effected.

CLAUDETTE MORTON, Executive Secretary, Board of Public Education, presented her testimony in support of the bill. (Exhibit 2)

ERIC FEAVER, Montana Education Association, supported the bill saying it is a much more equitable way to fund schools.

BRUCE MOERER, Montana School Boards Association, spoke in support of the bill. He said although this is characterized as a loophole, some schools use it as a legitimate funding mechanism. He urged the committee to extend the phase-in period.

RAY SHACKLEFORD, Office of Public Instruction, expressed support for the bill.

OPPONENTS: DON WALDRON, School Administrators of Montana and the Missoula School District, said administrators are not crooks when they use this. He said it is used as a tool for funding. He said if the bill were to pass, he would hope it would be with an extended phase-in, as once you get into a funding mechanism it is hard to get out. He recognized it is a means of establishing equity.

DISCUSSION BY COMMITTEE MEMBERS: SENATOR HAMMOND asked for clarification of the boundaries.

REPRESENTATIVE DONALDSON said the school must be in the same district and within three miles of the city limits.

REPRESENTATIVE DONALDSON closed by saying this gives the effected schools two years to phase-in. He felt that time period is fair to them and the bill is a fair solution to the equity problem.

CONSIDERATION OF HOUSE JOINT RESOLUTION 16: REPRESENTATIVE PECK, District 15, sponsor of the resolution, said it is an outgrowth of the Legislative Finance Subcommittee study on defining basic education in the state of Montana. He said the resolution requests the appropriate legislative committees and the Board of Public Education work together to establish a definition of basic education for Montana public schools, determine the cost of providing a basic education, develop a fiscal note procedure that links education policies to the state budget process and requires a report of the findings to the 51st Legislature. He said the subcommittee study found there is a need to review the accreditation standards; articulate what performance factors are expected from the accreditation standards; receive more accurate fiscal data from the schools on the cost of implementing the standard, and provide an understandable method of coordination and articulation among the accreditation standard requirements, student performance expectations, and state funding levels.

In order to meet those goals the following three components are requested in the resolution: 1) the Board of Public Education administer and coordinate a review of the adequacy of accreditation standards, with appropriate assistance from the Office of Public Instruction; 2) the Legislative Finance Committee develop the cost components of the existing and proposed accreditation standards and evaluate the state financing method for providing a basic education in the public schools; and 3) a legislative interim committee be assigned to monitor and evaluate the Board of Public Education's accreditation standard review and to consider any student performance expectations that may be linked to the accreditation standards and school funding.

REP. PECK said in view of the pending lawsuit and questions of state responsibility versus local responsibility, this needs to be done. The fiscal note covers a staff person and anticipated costs to cover public hearings, task force meetings, travel and supplies.

PROPOSERS: CLAUDETTE MORTON, Executive Secretary, Board of Public Education, presented testimony in support of the resolution. (Exhibit 3)

BRUCE MOERER, Montana School Boards Association, expressed support for the resolution.

SANDRA WHITNEY, Montana Taxpayers Association, expressed support for the resolution.

RAY SHACKELFORD, Office of Public Instruction said he worked with the subcommittee and will continue to do so. He supported the resolution.

OPPOSERS: There were no opposers to the resolution.

DISCUSSION BY MEMBERS OF THE COMMITTEE: SENATOR SMITH said there are a lot of extracurriculars going on. We need to weed them out and fund the basics.

SENATOR BLAYLOCK remarked that it seemed the Legislative Finance Committee is delving pretty deeply into educational territory.

REPRESENTATIVE PECK felt the Legislative Finance Committee would be able to do this if it is not picked up by an interim study committee.

SENATOR REGAN said she felt from the beginning the Education Committees should be better represented in whatever form the study finally took. Between the lawsuit and trying to define "basic education" the problem grew to a point where it needed a committee to work on it.

REPRESENTATIVE PECK closed by thanking the committee. He said this is a most important study and cautioned the committee to treat it well.

CONSIDERATION OF HOUSE BILL 818: REPRESENTATIVE NATHE, District 19, sponsor of the bill, said it allows the Superintendent of Public Instruction to print a complete and updated volume of the school laws of the state at his discretion. This is a request of the Education Subcommittee of House Appropriations. It gives the Superintendent flexibility to print a code book for school law when it becomes necessary. Currently, this can only be done once every four years as an addendum to the MCA. This bill will allow it to be done after every session. He noted this is a proprietary account - the cost of printing and distribution is paid for by the sale of the books.

PROPOSERS: MARILYN MILLER, Office of Public Instruction, said now OPI is piggybacking with the Legislative Council. Under this bill the cost will only be \$8 instead of \$176 for a full set of codes.

OPPOSERS: There were no opponents to House Bill 818.

REPRESENTATIVE NATHE closed the hearing on HB 818.

EXECUTIVE SESSION

ACTION ON HOUSE BILL 818: SENATOR PINSONEAULT moved House Bill 818 BE CONCURRED IN. The motion CARRIED unanimously.

ACTION ON HOUSE JOINT RESOLUTION 16: SENATOR McCALLUM moved HJR 16 BE CONCURRED IN.

SENATOR McCALLUM said at present high school graduation requirements are accepted as the criteria for basic education for accreditation standards.

SENATOR BLAYLOCK said times change. He pointed out that a course in computers is now a necessity for students' future participation in the business world.

SENATOR McCALLUM said there are  $9\frac{1}{2}$  or 10 credits you have to have taken in order to graduate. The lawsuit asks what is a basic education. Is it the  $9\frac{1}{2}$  or 10 credits, or all the credits, or is it a broad brush definition of a philosophical nature.

SENATOR PINSONEAULT said a study was done on education in 1973 following the Constitutional Convention. He felt it is just as valid now as it was then. He said he wants to be sure if we do a study that we get results and they are voted on and implemented.

SENATOR MAZUREK said if we don't do this, the courts are going to decide for us.

SENATOR McCALLUM said they may decide anyway, regardless of what we do.

SENATOR REGAN said studies have concluded that 63% of the foundation program is for basic education. She questioned what the 63% is for. At this point the bill says the Board of Public Education defines basic education so she suggested letting them do it and take the committee out of it.

SENATOR SMITH said we better do it because if the courts do it, we will have to have the same thing in Stevensville that we have in Missoula, and we will end up bankrupting the education system in Montana. He felt basic education is defined by how much it costs to do it.

SENATOR PINSONEAULT said the language on pages 3 and 4 is a mishmash. We need to define basic education.

SENATOR REGAN suggested putting this in a subcommittee to get it straightened out.

SENATOR McCALLUM said the core requirements now are 4 credits of English, 2 credits of math, 2 credits of science and  $1\frac{1}{2}$  credits of social studies, and  $1/2$  in both health and physical education.

SENATOR HAMMOND said if the lawsuit is scheduled for May, this study won't be done in time anyway.

SENATOR PINSONEAULT said he still wanted to amend the resolution to get the mush language out of it. He asked to pass consideration for the day so he could prepare amendments.

CONSIDERATION OF HOUSE JOINT RESOLUTION 39: REPRESENTATIVE CONNELLY, District 8, sponsor of the resolution, said it directs the Superintendent of Public Instruction to study the feasibility of self-insurance for school districts. She said this was originally intended to be a part of the school insurance and bond program, but it wasn't really ready when the hearing was scheduled. It was decided to study the issue further as some insurances were increased over 400%. She said she didn't know if self-insurance would be feasible or not, but OPI had been looking into it and this resolution would add impetus to that process.

PROPOSERS: CLAUDETTE MORTON, Executive Secretary of the Board of Public Education, expressed support for the resolution. (Exhibit 4)

RAY SHACKELFORD, Office of Public Instruction, said the reports from the insurance committees which were a part of the Building Bond and Insurance Program are in hand now. The schools feel this is a necessary component as some schools regulate segments of their curriculum by this. Some areas of the curriculum are being cut because of insurance costs.

OPPOSERS: There were no opposers to HJR39.

REPRESENTATIVE CONNELLY closed by presenting the committee with an article on self-insurance for school districts. (Exhibit 5)

EXECUTIVE SESSION

ACTION ON HOUSE JOINT RESOLUTION 39: SENATOR HAMMOND moved House Joint Resolution 39 BE CONCURRED IN. The motion CARRIED unanimously.

ACTION ON HOUSE BILL 365: SENATOR NEUMAN moved House Bill 365 BE CONCURRED IN.

SENATOR MAZUREK asked if we shouldn't do this in case someone comes in with something worse.

SENATOR REGAN said you can't get any worse than this.

SENATOR MAZUREK asked if it isn't better to have the Board do this than having it mandated.

Education and Cultural Resources

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Page 7

SENATOR BLAYLOCK said testing is already being done. The same tests aren't being done at the same times in all school, however.

SENATOR PINSONEAULT felt there has to be some coordination and correlation.

The motion that House Bill 365 BE CONCURRED IN, CARRIED on a roll call vote. (Exhibit 6)

ACTION ON HOUSE BILL 171: SENATOR FARRELL said the actuaries who bid are already in the American Academy of Actuaries, so there is no problem with the bill.

SENATOR MAZUREK wondered if the choice shouldn't be left open.

SENATOR FARRELL said that is what creates the problem. By choosing the one they want, they can get an actuary who will prove their assumptions, and he may or may not be certified.

SENATOR MAZUREK moved to adopt the amendments as per the Standing Committee Report (Exhibit 7). The motion CARRIED.

SENATOR BLAYLOCK moved House Bill 171 BE CONCURRED IN AS AMENDED. The motion carried unanimously.

ACTION ON HOUSE BILL 340: SENATOR MAZUREK moved House Bill 340 be amended as per the amendments on the Standing Committee Report. (Exhibit 8) The motion CARRIED unanimously.

SENATOR REGAN moved House Bill 340 BE CONCURRED IN AS AMENDED. The motion CARRIED unanimously.

FURTHER ACTION ON HOUSE JOINT RESOLUTION 16: SENATOR McCALLUM WITHDREW the MOTION that HJR 16 BE CONCURRED IN.

There being no further business to come before the committee, the meeting adjourned.

*Bob Brown*

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SENATOR BOB BROWN, Chairman

jdr

ROLL CALL

SENATE EDUCATION AND CULTURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3/20/87

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BOB BROWN	✓		
SENATOR CHET BLAYLOCK	✓		
SENATOR GEORGE McCALLUM	✓ <i>today</i>		
SENATOR ED SMITH	✓		
SENATOR PAT REGAN	✓		
SENATOR JOE MAZUREK	✓		
SENATOR BILL FARRELL	✓ <i>today</i>		
SENATOR TED NEUMAN	✓ <i>today</i>		
SENATOR DICK PINSONEAULT	✓		
SENATOR SWEDE HAMMOND	✓		

Each day attach to minutes.



DATE 3/20/87

COMMITTEE ON Education

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Charllette Morton	Board of Public Ed	HB 340	X	
" "	" " " "	HJ 16	X	
" "	" " " "	HJ 39	X	
Sandra Whitney	Mon Tal	HB 340	✓	
Marilyn Miller	Office of Public Instruction	HB 818	✓	
John W. Long	S.A.M.	HB 340	✓	✓
John Gray	Wash School District #	HB 340	✓	
John Fero	MAESP			
Wesley Morehouse	MAESP			
Richard A. Gregory	MAESP			
Georgia Peterson	MAESP			
John Waldman	S.A.M. <sup>Sub</sup> <sup>Alleged</sup> <sup>Plan</sup>	HB 340		✓
Ray Shackelford	OPI	340 818 HJR 16	✓	
Eric Caver	MEA	HB 340	✓	
Ernie W. Hoover	MSBA	HB 340 HJR 16	✓	
Harry D. Smith	Belmont, Sept	all bills	✓	
KATHIE HOREJSI	MFT	ALL BILLS		
Leann Lane	Tray Dist 75	all bills	✓	
Ann ...	MAESP			
Jerry Rottaker	MAESP	A11	✓	
Todd ...	MSBA	HJR 16	✓	
Bob W. Palmer	Florence Canton			

(Please leave prepared statement with Secretary)

AMENDMENT TO HB 340

1. Page 4, line 23.

Following: "CALCULATED"

Strike: "IN DETERMINING FUNDING FOR SCHOOL FISCAL YEAR YEARS COMMENCING IN ~~1989~~ 1988 FOR USE IN SCHOOL FISCAL YEAR ~~1990-1989~~, AND THEREAFTER."

Insert: "On the attendance during the school fiscal year 1988-89 and used for budgeting for the school fiscal year 1989-90 and thereafter."



# Board of Public Education

TESTIMONY TO THE SENATE EDUCATION COMMITTEE  
ON MARCH 20, 1987

IN SUPPORT OF HB340 - AN ACT TO REVISE THE METHOD OF  
CALCULATING THE AVERAGE NUMBER BELONGING OF A SCHOOL  
DISTRICT FOR SCHOOL FUNDING PURPOSES; AND AMENDING  
SECTION 20-9-311, MCA

Claudette Morton  
Executive Secretary

By Claudette Morton, Executive Secretary  
Board of Public Education

**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

The Board of Public Education supports HB340. We worked with the Interim Education Sub-committee, where this bill originated, and we believe that the closing of this loophole in the law will indeed result in cost savings at the state level. Because the change in the legislation would impact a few schools adversely, we feel it is important that this change in the legislation be phased in and we would urge this phase-in be a part of the bill. We urge the committee to give HB340 a do pass recommendation.

Board of Public Education HJR 16



TESTIMONY TO THE SENATE EDUCATION COMMITTEE  
ON MARCH 20, 1987

IN SUPPORT OF HJR16 - INTERIM STUDY ON ADEQUACY  
AND COST OF ACCREDITATION STANDARDS-FISCAL PROCESS

Claudette Morton  
Executive Secretary

By Claudette Morton, Executive Secretary  
Board of Public Education

BOARD MEMBERS

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Ed Argenbright, Superintendent  
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Ismay

Sarah "Sally" Listerud  
Wolf Point

Arthur "Rocky" Schauer  
Libby

Bill Thomas  
Great Falls

Thomas A. Thompson  
Browning

The Board of Public Education supports HJR16 and will be pleased, in fact, to conduct a full review of the accreditation standards. While it is the Board of Public Education's constitutional responsibility to supervise the public schools, it is through the accreditation standards that the Board provides schools with the specific guidelines for defining a basic education. Montana has had state accreditation standards for over 50 years. These standards have generally worked well as the base, or floor, for its educational program. Meeting these standards allows a school to receive its portion of the state Foundation dollars. From time to time these standards have been updated to reflect current thinking and educational research. While the Board continues to amend the standards every year, there has not been a thorough revision of the standards since 1980, and it was 1975 that the last thorough study and attendant reorganization of the standards was accomplished. Now seems to be not only a good time, but perhaps a critical time, to study the adequacy of the accreditation standards and to provide alternatives which reflect what Montanans want their school system to be so that

EXHIBIT NO. 3

DATE 5/20/87

BILL NO. HJR 16

it can appropriately educate citizens for the 21st century and Montana's 2nd century of statehood.

With all the ongoing responsibilities with which the Board must work and the very limited staff it has, it is impossible to do a really indepth and comprehensive study without this legislation. This study is also an opportunity to provide the critical link between what the accreditation standards should be and what they will cost. To do any study does cost some money. The budget for this study is extremely barebones because the parties concerned recognize the difficult financial times. A study of this nature, however, will pay for itself many times over by providing the Board and the Legislature with a practical means of improving the quality of education in Montana. Therefore, we urge your support of HJR16.

EXHIBIT NO. 4  
DATE 3/20/87  
BILL NO. HJR 39



# Board of Public Education

TESTIMONY TO THE SENATE EDUCATION COMMITTEE  
ON MARCH 20, 1987  
IN SUPPORT OF HJR39 - DIRECTING THE SUPERINTENDENT OF  
PUBLIC INSTRUCTION TO STUDY THE FEASIBILITY OF  
SELF-INSURANCE FOR SCHOOL DISTRICTS

Claudette Morton  
Executive Secretary

By Claudette Morton, Executive Secretary  
Board of Public Education

**BOARD MEMBERS**  
**EX OFFICIO MEMBERS:**

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- Bill Thomas Great Falls
- Thomas A. Thompson Browning

The Board of Public Education supports HJR39. Earlier this session we went on record supporting HB382, which was an act establishing an education building and insurance fund to finance low-interest loans to elementary and secondary school districts for capital expenditures; appropriating coal severance tax revenue; providing a self-insurance plan and an insurance reserve for elementary and secondary school districts. That bill, unfortunately, was tabled in the House Appropriations Committee. We hear from many schools that the cost of insurance is rising and it is more and more difficult for school districts to get insurance from private companies. Therefore, we support HJR39, which requires the Superintendent of Public Instruction to study the feasibility of the statewide deductive self-insurance plan for Montana school districts, and urge your committee's concurrence in this bill.

Reprinted  
from the June  
1986 issue of  
School Business Affairs

# Self-Insurance: A Haven For School Districts Facing Hostile Carriers

By Murton L. Munson



Reviewing a speech I delivered to the California Association of School Business Officials in 1979, my thoughts addressed: the plentiful availability of primary and excess insurance markets, lots of extra surplus, insurance companies seeking premiums to invest, pricing reductions of 25 percent or more on policies, excess markets writing primary or low deductibles and coverage of \$10 million or more being available from any one company. During the next few years, school business managers' judgments appeared shrewd.

Another speech delivered in 1982 discussed losses and investment income: pre-tax underwriting losses rose 77.6 percent, four times greater than the previous year, investment income rose only 16.3 percent, first quarter combined expense and loss ratio rose to 108.4 percent and after-

*Murton L. Munson, CPCU is Senior Vice President, Keenan & Associates, Torrance, California.*

tax operating income declined 45 percent.

When insurance companies amassed large surpluses, new names entered the marketplace: American Express & Firemans Fund; Armco & Northwestern National; City Investing & The Home; ITT & The Hartford; Teledyne & The Argonaut; and Transamerica, among others. A myriad of Fortune 500 companies and their off-shore captive insurance companies re-insuring through the back door also entered the market.

By 1983 it was apparent that insurance companies are, in fact, financial institutions. This chronology leads to current discussions regarding the problems of the insurance cycle. It's useful to review the insurance cycle from a school business manager's perspective (Figure 1).

At point #1 in 1974, a hypothetical assistant superintendent of business figures that after 20 years with the district, it is time to retire and become a consultant. The assistant superintendent kept the district's insurance premiums low for several years. The assistant superintendent chooses a successor. It's obvious that after five years of premium increases the successor landed in trouble with the school board, so this individual applies for a stress disability retirement.

The Board hires a new assistant superintendent who's just received a Master's degree. The next five years were so easy that this person had time to get his Doctorate. This assistant superintendent, realizing that he is about to play the "Buy High, Sell Low game," quickly accepts a superintendent's job elsewhere, turning over his duties to another assistant superintendent who begins the cycle again.

Public entities usually experience pressures from the highs and lows of

insurance cycles. Insurance companies gravitate toward high premiums in a soft market and distance themselves from high risk accounts when the market hardens, thus reducing business managers' control. The entire insurance system is in chaos and is not working for the public agency. Public agencies must consider new alternatives to successfully emerge from this crisis.

What can be done and what is being done to change this unlivable situation? We are seeing self-insurance pooling programs at local, regional and state levels. (See Figure 2.)

To self-insure, an agency must be large or become large. In states where Joint Power Agencies or Intergovernmental Agencies are available, these vehicles are ideal for pooling resources and spreading the risk to make self-insurance affordable for the average district. Because 90 percent of property and liability claims activity for districts occur below \$50,000, it is ideal to keep this activity local, in a harmonious group (JPA/IGA), where the insured has control.

The next natural self-insurance level is \$1 million and this can be self-insured on a regional basis. To self-insure to \$1 million usually takes several groups or a very large local JPA/IGA.

The last level that is self-insured is usually from \$1 million to \$10 million. This, by necessity, has to be done with a statewide JPA/IGA. At this level, there may be just one claim in three or five years or two in one year. To self-insure above \$1 million may be difficult for some small states. However, a statewide JPA/IGA could over a period of years collect reserves to enable the agency to eventually totally self-insure.

Pooling with the local JPA/IGA,

regional JPA/IGA and statewide JPA/IGA allows member districts to use the insurance market rather than the insurance market using the districts. If the goal of a JPA/IGA is to totally self-insure, there is no reason why the JPA/IGA could not economically buy commercial insurance.

Assume a JPA/IGA knows that a loss and expense rate for liability claims averaged \$4.00 per Average Daily Attendance (ADA) for the past five years and a district intends to fund its JPA/IGA pool at that level. If in a hard market an insurance company wants \$12.00 per ADA, the district self-insures by allocating \$4.00 into the fund. However, if a soft market exists and a company wants \$2.00 per ADA, buy it and invest the difference in the JPA/IGA.

Having the flexibility of self-insuring at three different levels allows a JPA/IGA to be poised for action, in other words, the ability to accept a totally self-insured program, a totally commercially insured program or a combination of commercial insurance and self-insurance.

What are the bottom line economics when you self-insure partially or totally? When insurance companies fix the premium they will charge, the expense ratio that is built into the rate will vary from 34.5 percent for liability to 43.1 percent for fire insurance. This means that for every dollar of premium charged, the insurance company has 65.5 percent available to pay expected losses on liability and 56.9 percent on fire losses. The administrative expenses for operating a self-insured program usually averages 15 percent. This is an 18 percent to 28 percent savings immediately. Add interest earned on reserves and the ability to control the majority of the district's claims, and potential savings have substantially increased.

There has been much discussion on what size a Self-Insured Retention (SIR) or deductible a district or JPA/IGA can afford. Unfortunately, there is no guaranteed formula. The answer lies in the district's ability to fund and build that reserve. Because most liability claims require several years of litigation before judgment is rendered, there's usually sufficient time to build a reserve. Large liability judgments are rarely paid within the first two years of the claim.

When a vast majority of a district's claims are below \$50,000, it gives the district or JPA/IGA a good historical data base from which to budget the future potential claim dollars.

When self-insuring, two reserve funds should be established, for claims below \$1,000 and for claims from \$1,000 to the affordable SIR or deductible of the program. Since the claims above \$1,000 are paid much slower than claims below \$1,000, the second claim fund can be built over two or three years, allowing for a larger SIR or deductible in the beginning of the self-insurance program.

While self-insuring accrues economic benefits, it's obvious that

many school districts agonized through the last two insurance cycles and there is obviously a much greater need for simply providing a district with good coverage (high limits at a fair and logical price).

Crises usually prompt school districts to change. During the last insurance cycle many self-insured programs were formulated. However, one short sighted effect of the prolonged soft insurance market re-vealed solutions to insurance cycle problems a low priority. If districts require incentives to change, the current insurance market crisis is sufficient to compel a District or JPA/IGA to adopt a self-insurance program.

Figure 1  
Large Unified School Insurance Premiums

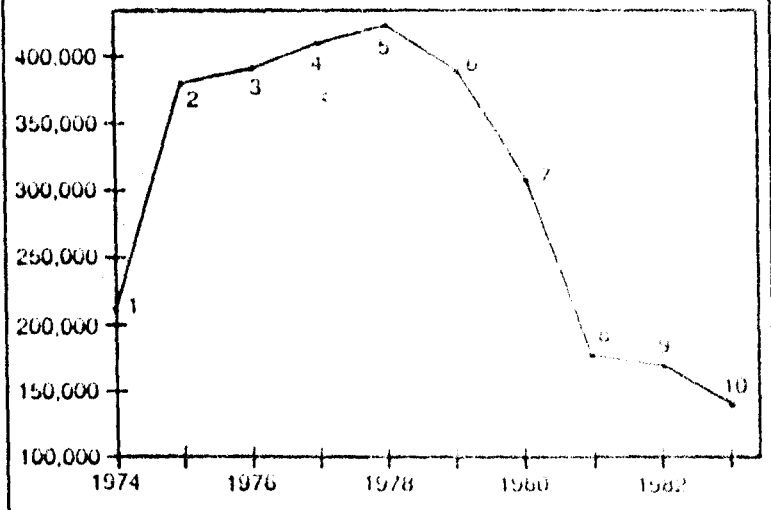
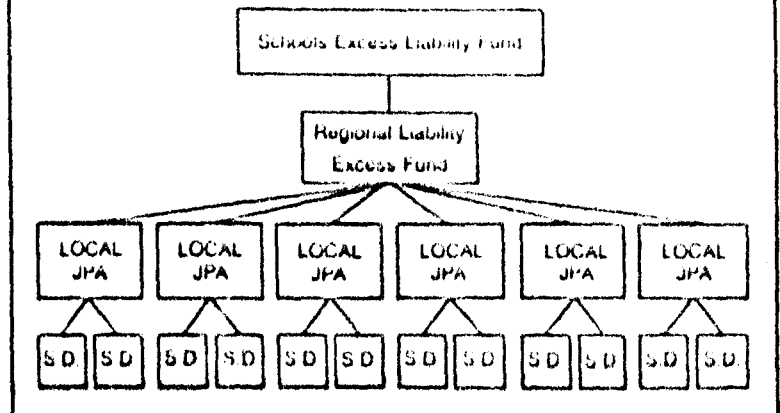


Figure 2  
Schools Statewide JPA Program





ROLL CALL VOTE

SENATE EDUCATION

EXHIBIT NO. 6

SENATE COMMITTEE EDUCATION AND CULTURAL RESOURCES

DATE 3/30/87

BILL NO. HB. 365

Date 3/20 House Bill No. 365 Time \_\_\_\_\_

NAME	YES	NO
SENATOR BOB BROWN, CHAIRMAN		✓
SENATOR CHET BLAYLOCK, VICE CHAIRMAN		✓
SENATOR GEORGE McCALLUM	✓	
SENATOR ED SMITH	✓	
SENATOR PAT REGAN		✓
SENATOR JOE MAZUREK		✓
SENATOR BILL FARRELL	✓	
SENATOR TED NEUMAN	✓	
SENATOR DICK PINSONEAULT	✓	
SENATOR SWEDE HAMMOND	✓	

JILL ROHYANS  
Secretary

SENATOR BOB BROWN  
Chairman

Motion: by Senator Neuman  
that HB 365 Be Concurred In

# STANDING COMMITTEE REPORT

SENATE EDUCATION

EXHIBIT NO. 7

DATE 3/20/87

MARCH 22

HB 171

1987

MR. PRESIDENT

We, your committee on EDUCATION AND CULTURAL RESOURCES

having had under consideration HOUSE BILL No. 171

third reading copy ( blue )  
color

## AMEND QUALIFICATIONS OF ACTUARY DESIGNATED BY TEACHERS' RETIREMENT BOARD

FRITZ (HAMMOND)

Respectfully report as follows: That HOUSE BILL No. 171

### Be amended as follows:

1. Page 1, line 25 through page 2, line 2.  
Strike: "who" on line 25 of page 2 through "ACTUARIES" on line 2 of page 2  
Insert: "who meets the qualifications established by the retirement board"
2. Page 2.  
Following: line 8  
Insert: "NEW SECTION. Section 2. Extension of authority. Any existing authority of the teachers' retirement board to make rules on the subject of the provisions of this act is extended to the provisions of this act."  
Renumber: subsequent section.

AND AS AMENDED,  
BE CONCURRED IN

~~DO PASS~~

~~DO NOT PASS~~

SENATOR BOB BROWN,

Chairman.

# STANDING COMMITTEE REPORT

SENATE EDUCATION

EXHIBIT NO. 8

DATE 3/30/87

MARCH 20, 1987

BILL NO. HB 340

MR. PRESIDENT

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

having had under consideration..... **HOUSE BILL** ..... No. **340**

third reading copy ( blue )  
color

## REVISE METHOD OF CALCULATING THE ANB OF A SCHOOL DISTRICT

**DONALDSON (REGAN)**

Respectfully report as follows: That..... **HOUSE BILL** ..... No. **340**

### Be amended as follows:

1. Page 4, lines 23 and 24.

Strike: **"IN DETERMINING"** on line 23 through **"USE IN"** on line 24

Insert: **"on the attendance during the school fiscal year 1988-1989, and used for budgeting for the"**

2. Page 4, line 25.

Strike: **"1989"**

Insert: **"1989-1990"**

~~DO PASS~~

~~DO NOT PASS~~

.....  
**SENATOR BOB BROWN,**

Chairman.

# STANDING COMMITTEE REPORT

MARCH 20, 1987

MR. PRESIDENT

We, your committee on EDUCATION AND CULTURAL RESOURCES

having had under consideration HOUSE BILL No. 818

third reading copy ( blue )  
color

**ALLOW OPI TO PRINT UPDATE OF SCHOOL LAWS AT LEAST ONCE  
EVERY 2 YEARS**

*NATHE (PINSON BEAULT)*

Respectfully report as follows: That HOUSE BILL No. 818

BE CONCURRED IN

~~DO PASS~~

~~DO NOT PASS~~

.....  
SENATOR BOB BROWN,

Chairman.

# STANDING COMMITTEE REPORT

MARCH 20, 19 87

MR. PRESIDENT

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

having had under consideration **HOUSE JOINT RESOLUTION** No. **39**

third reading copy ( blue )  
color

**DIRECTING OPI TO STUDY FEASIBILITY OF SELF-INSURANCE FOR  
SCHOOL DISTRICTS**

*CONNELLY (FARRELL)*

Respectfully report as follows: That **HOUSE JOINT RESOLUTION** No. **39**

*NO CONCURRENCE*

~~DO PASS~~

~~DO NOT PASS~~

.....  
**SENATOR BOB BROWN,**

Chairman.

# STANDING COMMITTEE REPORT

March 20, 1987

MR. PRESIDENT

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

having had under consideration **HOUSE BILL** No. **365**

third reading copy ( blue )  
color

**REQUIRE BOARD OF PUBLIC EDUCATION TO ADOPT RULES ON  
STUDENT ASSESSMENT**

**PECK (NEUMAN)**

Respectfully report as follows: That **HOUSE BILL** No. **365**

BE CONCURRED IN

~~DO NOT PASS~~

~~DO NOT PASS~~

**SENATOR BOB BROWN,**

Chairman.