

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON EDUCATION

Call to Order: By Senator H. W. Hammond, Chairman, on
February 15, 1989, at 1:00 pm in Room 402 at the State
Capitol

ROLL CALL

Members Present: Senators; H. W. Hammond, Dennis Nathe,
Chet Blaylock, Bob Brown, R.J. "Dick" Pinsoneault,
William Farrell, Pat Regan, and Joe Mazurek

Members Excused: None

Members Absent: Senator John Anderson Jr.

Staff Present: Dave Cogley, Staff Researcher and
Julie Harmala, Committee Secretary

Announcements/Discussion:

None

HEARING ON SB 198

Presentation and Opening Statement by Sponsor:

Sponsor SENATOR PAT REGAN, Senate District #47, stated that this bill is one that evaluates a state funding method for providing a quality basic education in the public schools.

She pointed out that the bill was quite lengthy but its main features are: It recognizes teacher experience in providing funding schedules and this is something that is not found in the other bills. The districts where 65% or more of the teachers have seven years of experience are in one category, those with 35% with less than three years are in another category, and the third category is in between. This bill provides for a power equalized voted levy, the first 10% of the voted levy would be power equalized so that each mill would generate \$100 per student. The last 15% is unequalized. It caps the general fund expenditures at 125 % of the foundation program and provides for a four year phase-in. There was no inclusion of PL 874 money, nor was the subject of transportation or special education or capitol outlay taken up. These things were thought to be

addressed later as the costs were determined and equalized.

She went on to say that there was a 35% limit on the reserve fund and included were both retirement and workman's compensation in the general fund. "Annual number belonging" was retained. When the voted levy was taken it would be voted on whatever percentage above the general fund as one vote. The 10% would not be voted, separately from the 15%.

There is no revenue source in the bill. This bill is the result of a two year study that Senator Regan feels after looking at Senator Nathe's bill (SB 203), there are some things in that bill she would recommend be put into SB 198 if this bill was going to be used as a vehicle. She said that she thought if this bill was be funded, a statewide mill levy of about 130 mills would be required.

She referred to a fact sheet that summarizes the main points of SB 198. (See Exhibit #1)

She told the committee that there were about 25 separate reports that were prepared before SB 198 was completed. There were a number of interesting studies that she recommended to the committee.

List of Testifying Proponents and What Group they Represent:

None

List of Testifying Opponents and What Group They Represent:

SUPERINTENDENT NANCY KEENAN, Superintendent of Public Instruction
ERIC FEAVER, The Montana Education Association
PAT MELBY, Representing the Plaintiffs in the Loble Law Suit
JESS LONG, The School Administrators of Montana

Testimony:

SUPERINTENDENT NANCY KEENAN stated that the bill has good information with regard to a base from which to start. Some of the research that was developed over the past couple of years provided good experiences, concepts and is something that should be looked at, but basically and fundamentally it does not meet in her estimation the mandate of the Supreme Court and for this reason she said they rise in opposition.

ERIC FEAVER said that they also oppose SB 198 and he encouraged the committee to table the bill.

PAT MELBY, representing the schools that were the plaintiffs in the Loble Court case, stated that his clients oppose this bill generally, but there are some concepts in the bill that the legislature should look at and more importantly the committee and others should recognize all the hard work that the legislative finance committee as well as the staff put into the bill. There were numerous reports that were prepared that culminated in this bill that he feels would be of great assistance to all those that are working on school funding.

JESS LONG stated that they would not want to support this bill because it does not meet the equalized test in its entirety. There are numerous assumptions made which caused the bill to not take the best shape possible. He pointed out that there were many interesting bits of information that came out of the hard work that was put into the preparation of the bill and this should not be negated.

Questions From Committee Members:

Senator Blaylock ask Madalyn Quinlan of the LFA office if when she was drawing up the bill if there was some thought of Project Excellence concerning the numbers that are given to this project. He wondered how much would we have to increase to meet the excellence standards if they were put in and how much more money would it take to do this.

Ms. Quinlan replied that the cost of meeting Project Excellence standards is less than what the school districts spent. The cost they came up with was 398.6 million for fiscal year 1990 and 419.8 million in fiscal year 1991. These are the costs of meeting the accreditation standards, which is less than what districts are currently spending. The major reason for this being less is that the cost of meeting the accreditation standards required 700 fewer teachers than are currently out there statewide. She went on to say that because the accreditation standards do not require a good number of specialists, music and art teachers etc., these teachers were excluded from meeting accreditation standards in the classroom, Therefore they are not included in the 398.6 million dollar figure.

Senator Hammond ask if the less cost was because of the phase in. Ms. Quinlan replied that yes partly, because the phase in for the first two years is at 91% for FY 90-91 and then in FY 92-93 it is 96% phased in and the following year it would be at 100% of the implementation of the standards.

DISPOSITION OF SB 104

Recommendation and Vote:

Senator Mazurek so moved that SB 104 be tabled.

Senator Pinsoneault called for the question.

THE MOTION CARRIED UNANIMOUSLY TO TABLE SB 104.

DISPOSITION OF SB 262

Recommendation and Vote:

Senator Brown moved to put SB 262 on the table.

Senator Brown called for the question.

THE MOTION TO TABLE SB 262 WAS CARRIED UNANIMOUSLY.

DISPOSITION OF SB 292

Discussion:

Senator Mazurek ask why is an immediate effect we date necessary for this bill.

Senator Hammond, sponsor of SB 292, replied that all those students that are in the WAMI program have been grandfathered in and he did not know if this particular date was important.

Senator Regan felt that there was some merit in this because the new students that are entering the program are being notified July 1. So the question is if there should be one more free year or if the new incoming students be charged.

Senator Farrell asked how many people would be ruled out of this that are on military scholarships.

Senator Hammond responded that there are two groups that might be considered for an amendment. Those people eligible

for military scholarships and those eligible for public health scholarships. Students from these two groups can not go to school under the WAMI program as it is now and they should be amended into the bill.

Senator Blaylock stated that he sits on the WICHE commission and he thinks it is the best program for Montana students. If we did not have these programs, he pointed out, they would not be able to get into the schools they are able to attend now. He said that participation particularly in the veterinarian program, medical program, and dental program has saved Montana from having to build these schools. When North Dakota put in the medical school at Grand Forks this is said to be the worst economic mistake that state has ever made. "It has eaten them alive." Senator Blaylock stated that he felt that the WAMI program has saved Montana and forcing this "pay back" is a step in the wrong direction.

Senator Hammond replied that this bill started out with no pay back in it. It was merely to come back three years to Montana. There was no money involved originally and many people felt that the possibility may be offered to these students, so this was another option placed in the bill. He said that Montana is spending over 2 million dollars a year on about 146 students and it is the most expensive program Montana has.

He went on to say that he to thinks the WAMI program is a good program and there are requests for more slots. Montana can not afford this, two slots have been cut since last session and the balance is lost in the education trust fund so those moneys are not there to take care of this and there is only a small percentage that comes back to Montana and doctors are needed here.

Senator Farrell stated that his concern is that we are losing rural doctors and obstetricians. He wondered if we were forcing students to go into areas in the state where it is not feasible for them to make a living. They must be able to come back where they can make money.

Senator Hammond replied that there is a bill to create a catastrophic fund to alleviate the problem the doctors have with liability insurance. He said this is a problem that must be solved and this does not affect this bill.

Senator Brown moved that SB 292 do not pass.

Senator Pinsoneault said that he had supported the bill in the past but his area of the state has suffered every health service problem imagined and he does not know what the

answer is to this rural problem but he does not think making the young novice come back and sending them to the rural areas is the medical doctor that is needed in the small town. The best success seems, he said, to be with the retired doctor who can handle a GP practice. Realistically he stated SB 292 is not the answer to Montana's doctor problems, but he does not have the solution.

Senator Regan stated that she felt there was some merit in requiring a pay back when they come back to the state. Other states have this program and it is not an original concept. The size of the budget and the way it has grown, could support a university unit, for what it costs to pay for the WICHI WAMI program. The students did indicate they were coming back to Montana and she said she would support the bill.

Senator Farrell said he supported the bill last session with a lot of reservations and will not support it this time.

Recommendation and Vote:

Senator Brown moved that SB 292 do not pass.

Senator Hammond called for the question.

THE MOTION WAS CARRIED TO GIVE SB 292 A DO NOT PASS WITH 5 VOTING FOR THE MOTION AND 4 VOTING AGAINST IT.

DISPOSITION OF SB 360

Discussion:

Senator Mazurek stated that the new Director of Family Services is here and he said he does not think this is that bad of a bill and Senator Boylan realizes that this bill is not that bad.

He said that this is a big bill and this is no small matter.

Senator Regan moved that SB 360 do not pass because this has been a dispute between two state schools and the Department of Family Services. She reminded the committee that this has gone all the way to the Supreme Court and the Supreme Court has ruled in favor of Pine Hills and Mountain View School and now with this bill it is being said that "we do not care what the Supreme Court says, we are going to take it away from you." Senator Regan said she does not like this.

Senator Mazurek said that this issue has been resolved with the teachers at Mountain View School. The troubling factor for Senator Mazurek is that money was appropriated because the teachers came in and said they wanted to be treated as teachers and should be paid teachers' salaries. Now we are saying we are finally paying them as teachers and they should not be entitled to eleven days of vacation during the academic year. He said this is the real issue, in fact here at Mountain View School this issue has been resolved on this basis. He went on to say that they ought not to have it both ways. The reason the bill was treated without respect is primarily because Senator Boylan felt that the Department of Family Services should have been at the hearing to defend the bill.

Senator Farrell asked if the teachers signed a contract for 185 days, just like other teachers in that district.

Family Services Director, Bob Mullen referred the questions to the personnel Director, Virgil Dickens. Mr. Dickens replied that the teachers do not sign any contract at all. There is no contract. Repeating he said, "There is no contract with each teacher. They are state employees." The collective bargaining agreement is based on what the teacher and the state bargain for in their employment. This is what the hang up is. The Supreme Court ruled them as state employees with benefits being figured on the hours as is every FTE employee. The teachers feel that they should have their vacation days in the 185 days, which is less than 1480 hours.

Senator Farrell ask how many days were 1480 hours.

Mr. Dickens answered that it was 211 days, seven hours a day, and the teachers want the 11 vacation days taken out of the 185 days.

Senator Regan stated that her understanding was that the reason Mountain View "came to their knees," was because the agency refused to give them their salary until they agreed to this and Pine Hills is still holding out and still have not been paid. She ask Mr. Dickens if this was correct.

Mr. Dickens replied that Pine Hills teachers are saying that the Supreme Court ruled that the eleven days are within the 185 days. State law says that the money that was appropriated by the legislature can not be given to the teachers until there is a ratified contract.

Senator Regan said that then unless they agree to go the route of 200 and some odd days, DFS is refusing to pay them

money that "the legislature appropriated to them and told the Department to pay them as part of their salary? Is this correct?"

Mr. Dickens replied that the 200 and some odd days is 1480 hours and because they are being treated as state employees this means that in order for them to get vacation time and holiday time, they should be working 2080 hours, which is a full time FTE.

Senator Mazurek asked, "Are you coming to the legislature now to resolve an issue that you have been unable to resolve by contract? Are you asking us to settle a negotiation for you by statute?"

Mr. Dickens said that he did not think they were. He said that they were asking the legislature to make these people teachers, paid with a contract for each one, paying them for 185 days for \$15,000 with 12 months of insurance.

Senator Pineseault asked if in the public employee contract if these teachers were addressed in any specific way. "Are they distinguished from all the rest?" Mr. Dickens replied that they are, in that they only work seven hour days. They have a different pay plan, they have 12 month insurance, they do not work eight hours a day as a state employee does, they only work seven. This is why there is a problem, they are still considered and they want teacher benefits. They also want all the state benefits which they do not always fall under because they are being treated differently. The people do not work for the state in the summer.

Senator Regan replied that as a teacher she was under a full year contract with the district. She took her salary in ten months, her insurance went all year and in the summer she went back to school and this is what many teachers do to keep accreditation standards improved. This is not unusual, a teacher is hired by the year. She then ask Mr. Feaver of the MEA, "Is this bill an attempt to settle a negotiation dispute and is the money being withheld until they agree to that. Is this what is happening? What is going on here?"

Eric Feaver replied that the question would have to be ask of management. He said that from the MEA perspective, the answer is yes and he went on to say that a section of statutes does exist that says no salary can be paid if there is no contractual agreement between the two parties, as in this case between the MEA unit at Pine Hills and management. Therefore the salary that the legislature appropriated in 1987 will not accrue those individuals. Now for practical purposes there are two units involved, one at Mountain View and one at Pine Hills and they have chosen slightly

different paths in terms of responding to the state's bargaining attempts.

Senator Regan stated that in fairness, both sides of the question should be heard.

Senator Hammond ask if anyone could answer the question of what would happen if SB 360 fails.

Bob Mullen, Director of DFS, replied that if the bill fails there is going to be a \$162,000 unfunded liability in the budget. Then in two years we will be here asking for a supplemental to fund this. He added that if the bill fails at least the LFA office knows an attempt was made to rectify the problem.

Senator Pinsoneault ask Lesley Taylor, the attorney for DFS, about the teachers contract and she responded that there is a collective bargaining agreement with these people. She went on to say that DFS proposes that this would continue and they would be able to use the bargaining process to determine the amount of personal days to treat them primarily as teachers. Currently the teachers have two personal days.

She said that for purposes of these two kinds of benefits which are holiday pay and annual leave this bill addresses this and with it "we are trying to exclude these teachers from being considered state employees."

Senator Mazurek asked Lesley Taylor, "Is this bill being used to settle a matter which is a subject of negotiation right now in this committee?" Ms. Taylor replied, "It is not because those negotiations will have to be settled on their merit as it is now, this is to allow the Department to have clarification for the purposes of further bargaining as to exactly what these people's status is or are. What has happened is that they have always been treated as teachers and then the Supreme Court decision came down and said that they were state employees. But they are not really state employees because they do not work eight hours a day, they get all school holidays, they are kind of a hybrid right now." What we would like to do is to be able to treat them like teachers and use the collective bargaining process to determine their benefits with regard to holiday and annual leave.

Senator Pinsoneault ask why Mountain View School settled and Pine Hills did not.

Phil Campbell from the MEA answered by saying that Mountain View School settled their contract by agreeing last June to

get their money by agreeing to extend their work year by 20 days with no extra money. This is how the state settled the contract by saying on a pro rated basis the teacher would get eleven vacation days and 9 holidays. Mountain View agreed because the only way to get their money was to settle and give in.

Senator Regan asked if the negotiated contract of 1985 says "that the parties to this agreement stipulate that this contract was negotiated in the good faith assumption that these teachers are state employees." She asked how the teachers can be denied their position as a state employee if this is what the contract says.

Ms. Taylor replied that it is not that they are being denied being state employees but they are a "unique kind" of state employees. They have their own pay matrix and the Department is trying to clarify what their status is with regard to holidays and annual leave because of the nature of them getting school holidays off which other state employees do not get off.

Senator Mazurek ask the MEA representatives, "How in good conscious, can you say that the teachers are going to teach the school year and get eleven days off during the school year, paid days during class time."

Mr. Feaver replied that what is being heard is exactly what he thinks the legislature should not be hearing which is a "collective bargaining squabble" between management and labor. This committee is involving itself in what is in effect a bargaining dispute and there is no question in the minds of the MEA that if this bill is adopted the legislature will change the parameters of bargaining as they are currently on going on a contract that has not been settled in over two years on the various assumptions that the legislature appropriated money to pay to MEA members in the units of Mountain View School and Pine Hills. The Supreme Court ruled that these benefits accrue to these units by virtue of them being state employees. The MEA is not arguing anything that "the highest court in Montana has not said is the Law of the land."

He went on to say that he found it remarkable that DFS continues to argue that somehow it has "an authority" that transcends that of the legislature and transcends that of the Supreme Court. The state is offering less than what the Supreme Court has articulated and pinioned is their right and the MEA is not going to offer anything less than that.

Senator Mazurek pointed out that he did not think the teachers would have been assumed to be state employees with

all the intended benefits if the legislature would have understood or the court decision would have been handed down before the money was appropriated. They were not assumed to be state employees at the time of the court decision with all the intended benefits.

Eric Feaver replied that it was at no fault of the MEA nor of the members of the bargaining units, when the Supreme Court handed down its decision. This is certainly not something the MEA could control. There was no attempt being made to the legislature to leverage more money in anticipation that the Supreme Court was going to give a favorable ruling.

Senator Pinsoneault commented that this does sound like "a hybrid" and as everyone knows there are things that can not be resolved in a negotiated contract. This is a unique situation and all they are taking about is holiday and annual leave time.

Bill Unger, principal at Mountain View School, said that if these people are state employees and they are determined to work seven hours a day, at the end of that day they are unable to stay in the classroom to prepare for the next day. If they would be allowed to do this, the DFS becomes financially liable. This is contrary to what teachers have to do. He said, "It is not the intention of DFS to get the teachers." The teachers at Mountain View School have not been approached by the MEA about this situation since the session started and it is a difficult task to treat the teachers at Mountain View as teachers when in fact they are state employees.

Senator Regan repeated her motion that SB 360 do not pass. In defense of her motion she said, "We are in the midst of a negotiation play and it is up to them to settle it, the court has given them some direction and I think they can start from there. I do not see why we should back door them."

Senator Hammond said that he thought they were looking for some interpretation so they could be considered either teachers or state employees.

Senator Farrell ask, "If we pass this bill, what are these people going to be considered to be?"

Leslie Taylor stated that if the bill passes, they will be state employees exempt from the provisions applying to state employees for the purposes of holidays and annual leave. They will be state employees. To make them teachers again would be difficult because this is all based on boards of

trustees and school districts and there are none of these involved. She added that this bill was DFS's second approach to the problem.

Eric Feaver stated that what had just been heard from management is precisely what management says it does not want to do and this is that they do not want to treat these teachers as state employees but it want to treat them as teachers except it will treat them as state employees except for holidays and vacation. This is precisely the kind of argument that has been going across the bargaining table "at nausea" and by the legal counsel's own admission the passage of this bill will not clarify a great deal.

Recommendation and Vote:

Senator Regan moved that SB 360 do not pass.

Senator Pineseault called for the question.

The committee voted four to four by a roll call vote with Senator Anderson being absent. THE MOTION FAILED, 4 TO 4.

Senator Regan moved that SB 360 be laid on the table.

Senator Hammond called for the question.

THE MOTION FAILED, 4 TO 4 BY A ROLL CALL VOTE.

Senator Hammond announced that the decision on SB 360 would be made when Senator Anderson returned to place his vote.

DISPOSITION OF SB 378

Discussion:

Senator Regan moved that SB 378 do pass.

Senator Pineseault stated that he is bothered because since the time he was first on the school board and sitting here listening to all the testimony, it sounded to him like there is "carnage in the classroom" in this state. He said he found this very offensive as a former chairman of a school board. He said, "You bet your life that in school district #28, if kids were being thumped, it was done like the book said it should be done." This kind of discipline he said was used very rarely.

Senator Brown commented that this was also his reaction. If it is read what has been exorcised out of the law by the bill and for any one to give corporal punishment, they must be very careful about it. This does not happen often. To listen to the proponents of this bill, you would think that the public schools in Montana were like a concentration camp. He said he wondered if there was a need for this thing.

Senator Hammond stated that listening to the testimonies made him feel ill. He said while he spent forty year in the school business, he never hit or kicked a kid, nor did he ever swear at one, but he spanked several and he always invited the parents. They were always told why this punishment was happening. He stated that the proponents of SB 378 were "painting a picture" that was not exactly right.

Senator Brown said that the written testimony was about things that could be prosecuted according to the existing laws.

Senator Mazurek said the early proponents seemed to be very "cause oriented" but to look past that, there was a lot of thought that went into the presentations of testimony. He said he was offended by testimony on both sides.

Senator Regan stated that SB 378 is supported by the educational community, including the Board of Public Education, the Montana School of Psychologists, the Montana Committee of Child Abuse, The Helena School Board, MEA, OPI, and MCSW. She said there was pretty broad support and in her 25 years of teaching, she had never found a need for corporal punishment. She feels that there are other ways of disciplining children.

Recommendation and Vote:

Senator Regan moved that SB 378 do pass.

A ROLL CALL VOTE WAS TAKEN AND THE MOTION FAILED, 5 TO 3.

Senator Brown moved that SB 378 do not pass.

Senator Hammond called for the question.

The vote was reversed and THE MOTION CARRIED, THAT SB 378 DO NOT PASS.

DISPOSITION OF SB 203
(continued)Discussion:

(See Exhibit #1)

Senator Hammond stated that the committee could address Issues #14 and #15 of exhibit #1. This issue he said deals with the PI days and the minimum of 180 days in a school year and whether you keep it as is or at the maximum of 180 days or 185 days and if the days should be equalized.

Senator Mazurek stated that the consensus of issue #15 of the education community was that funding for the school year would be based on 180 PI days and 7 PIR days, then the SAM backed away from this saying they would like to keep the situation as it is. "How do we equalize if everyone does not have 180 days? If one district is going to be paid for 180 days and some other districts for 185, this does not answer the question of how to build a new system." SAM backed away from this because they have a few districts that will not go along with the whole deal because of this one issue.

Senator Regan pointed out that each district has the same equal opportunity and this is what local control is about and they can exercise the option.

Senator Hammond added that there is no limit, they can go to 190 if they choose.

Senator Regan added that the way the funding formula is set up we fund as a factor dealing with the number of students that are in the districts.

Senator Pinsoneault stated that if this is not addressed we are flying in the face of what Loble said and even on a money basis they are being allowed five extra days or what ever it costs per student per day more than another district. If it is backed off of one year at a time he felt this would be fine.

Senator Blaylock moved that there be a minimum of 180 days and a maximum of 185 days.

Senator Hammond stated that this would be a pretty costly deal and the districts would have to renegotiate contracts.

Don Waldron commented that the worry that some schools would drop through the cracks is true and the only way this would be feasible is if there was a phase in on it. The number of schools involved is not so great but the number of students in the state that go beyond 180 days is quite high. There was a debate among the administrators and as was testified by them several go more than 180 days but to get "some of the other things," they would be willing to back off.

There is not one school over 185 days in the whole state. When the state is putting 56% of the money in and then a contract is negotiated with the teachers, the rest must be raised locally. It is more than a district can do financially. He said he would certainly advise his school board of the advantages of taking advantage of the situation because the state put in 85% then there is a greater incentive to go the 185 days.

Senator Brown stated that "conversely if we put it in at 180 days, then over half of the students in Montana will have a shorter school year." He said, "Granted, there are not a large number of districts but the large districts because of the inequality of funding in the foundation program may be strapped for money and they have a lot of kids and a poor tax base and to manage a few more bucks by an extra dip in the foundation program they go a few extra days." He said that it seems that under the existing system the opposite of the Loble Decision occurs, for example take the ones that have the least to begin with and they are rolled back on those days. If we can address the Loble decision legislatively then the state can pick up 85% of the tab and the problem is corrected. If it is set a 185 days equalized then there will be superintendents that recommend they go 185 days for the money. If though, it is put at 180 days, then whatever educational benefits the students would have gotten will be a lost cause. The flexibility of Senator Blaylock's motion is what he likes.

He added that because there will not be an excess of money the schools will go back to the 180 days.

Senator Pinsoneault stated that the five extra days do not do what we all think they do plus there is the traditional argument between city vs. country. "Country folks like 180 days because they have to get out and help dad and city folks stay an extra five days to be out of Mom and Dad's hair." He added that these extra five days attached to the discussed funding may be very expensive.

Senator Mazurek said that we are not talking about how many days they go to school, just how much state funding they can get and if the tax levies go down, these districts will be

the winners.

Amendments and Vote:

Senator Blaylock moved that there be a minimum of 180 days and a maximum of 185 days.

THE MOTION FAILED.

Senator Mazurek moved that state funding would be based on 180 days.

THE MOTION CARRIED UNANIMOUSLY.

ADJOURNMENT

Adjournment At: 2:48 pm


Senator H. W. Hammond, Chairman

HH/jh

Senmin.215

ROLL CALL

EDUCATION

COMMITTEE

51th LEGISLATIVE SESSION -- 1989

Date 2-15-89

NAME	PRESENT	ABSENT	EXCUSED
<u>Chairman Swede Hammond</u>	✓		
<u>Vice Chairman Dennis Mathe</u>	✓		
<u>Senator Chet Blaylock</u>	✓		
<u>Senator Bob Brown</u>	✓		
<u>Senator Dick Pinsoneault</u>	✓		
<u>Senator William Farrell</u>	✓		
<u>Senator Pat Regan</u>	✓		
<u>Senator John Anderson Jr.</u>		✓	
<u>Senator Joe Mazurek</u>	✓		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

February 16, 1989

MR. PRESIDENT:

We, your committee on Education and Cultural Resources, having had under consideration SB 292 (first reading copy -- white), respectfully report that SB 292 do not pass.

DO NOT PASS

Signed: *H. W. Hammond*
H. W. Hammond, Chairman

410
2/16/89
11:40 a.m.

SENATE STANDING COMMITTEE REPORT

February 17, 1989

MR. PRESIDENT:

We, your committee on Education and Cultural Resources, having had under consideration SB 360 (first reading copy -- white), respectfully report that SB 360 do pass.

DO PASS

Signed: _____

H. W. Hammond, Chairman

SENATE STANDING COMMITTEE REPORT

February 16, 1989

MR. PRESIDENT:

We, your committee on Education and Cultural Resources, having had under consideration SB 378 (first reading copy -- white), respectfully report that SB 378 do not pass.

DO NOT PASS

Signed: *H. W. Hammond*

H. W. Hammond, Chairman

41.C:189
3/11/89
11:40
a.m.

CURRENTHB 575,
KADASSB 203
NATHE

- | | | | | |
|----|---|---|---|--|
| 1. | <u>17 funds</u> for all school costs; reserves for each | Only 2 budgeted funds: general, bldg./debt. Reserves for each | Retain current funds except add comprehensive insurance to GF | Retain current funds except add retirement and workers' comp. to GF |
| 2. | County <u>retirement</u> levy, using lottery for equalization; (25-mill average) | Eliminate levy; retirement in GF; lottery \$ to state equalization | Separate fund but 90% equalized with state levy; lottery \$ to state equalization | Eliminate levy; retirement in GF; lottery \$ to state equalization |
| 3. | District levy for <u>comprehensive insurance</u> ; (5-mill average) | Insurance in GF, funded as part of FP | Included in GF as part of FP | Retain as separate fund, but workers' comp. in GF |
| 4. | Separate <u>tuition</u> account | No tuition charges; students counted in school attended. Attendance agreements | No tuition charges; students counted in school attended. Attendance agreements | No change |
| 5. | No limit on total <u>expenditures</u> ; FP schedules not based on actual costs | FP schedules reflect FY 87 ave. expenditures per district size for all budgeted items but bldg./debt; voted cap at 117% of FP payment by 1995 (FP--85%, voted--15%) | FP schedules reflect 100% of FY 88 GF expenditures. Voted cap at 117% of FP | Study of proposed standards used as cost basis for new FP schedules; cap at 125% of FP (FP 80%, voted 20%) |
| 6. | <u>Mandatory 45-mill levy</u> , collected at county (28 mills elem., 17 mills h.s.) | Mandatory 103 mills for elem., 63 mills, h.s. Substitutes for all nonvoted county/district levies except bldg./debt. | No change | No change |
| 7. | <u>Permissive levies</u> for elem. and h.s. | Eliminate permissive levy | Eliminate permissive levy | Eliminate permissive levy |

<u>CURRENT</u>	<u>HB 575, KADAS</u>	<u>SB 203 NATHE</u>	<u>SB 198 REGAN</u>
8. <u>Voted levies</u> unlimited except for I-105	Voted levies limited to 117% of FP plus transp. & spec. ed.; excluded from I-105	Voted levies limited to 117% of FP; excluded from I-105	Retain but cap at 25% above FP by FY 94; phase-in limit until then; 1st 10% of voted equalized by guarantee and recapture
9. <u>State revenue</u> sources earmarked for FP	No change except add lottery	No change except add lottery	No change except add lottery
10. <u>County revenues</u> received from federal forest funds, Taylor Grazing, motor vehicle, misc., used for county equalization	No change	No change	No change
11. <u>PL 874 not counted</u> as resource for equalization	PL 874 counted under cap when state meets federal equity test	No change	PL 874 counted under cap when state meets federal equity test
12. <u>General fund</u> <u>reserve limit</u> of 35%; no penalty for exceeding limit	20% limit on GF reserve by FY 95 except districts receiving no state equalization. Excess cash reappropriated or reverted to FP; appeal to OPI in special cases	20% limit on GF reserve except districts receiving no state equalization	No change
13. <u>FP structure &</u> <u>schedules based on</u> school size	No change in categories; adjusted 216% to account for FY 87 average costs	No change in categories, adjust \$ amount by factors to reflect FY 88 GF spending statewide; provide inflation index for automatic adjustment in future years	New schedules w/teacher experience factors and new school size categories

<u>CURRENT</u>	<u>HB 575, KADAS</u>	<u>SB 203 NATHE</u>	<u>SB 198 REGAN</u>
14. Minimum <u>180-day</u> school year with no maximum; no limit on days creates disequity in FP payments	Funding is per student, not per days; see no. 15	No change	No change
15. Payments based on <u>average number belonging</u> (ANB is 150,000, but actual pupils approx. 130,000)	ANB redefined; ANB based on ave. of 6 student counts per year	No change	Retain ANB method for new schedules
16. <u>Building/debt service</u> not equalized	Legislative interim study	No change	No change; study suggested in HJR 16 work
17. <u>Transportation program</u> separate	Transportation in GF. State funding of FY 90 costs-\$30M. OPI & BPE study & distribute for FY 91; subject to expenditure cap	No change	No change; study suggested in HJR 16 work
18. <u>Special education</u> separate appropriation; part of school general fund; separate accounting and OPI oversight	No change but payment subject to expenditure cap	No change	No change
19. Elementary and high school <u>districts</u> may be separate	No change	No change	No change
20. Current <u>payment schedule</u> is 5 times per year	12 monthly payments of at least 8%	Monthly payments with 20% 1st month	No change
21. Additional components or issues	Adult educ. in GF; studies in No. 16 & 17		State guarantee of \$100/ANB for 1st 10% above FP

CURRENT

HB 575,
KADAS

SB 203
NATHE

SB 198
REGAN

22. Phase in

Effective for FY 91
school year; cap in
effect for FY 95;
5-year grace period
for limits on
districts

Effective for FY 90
school year; cap in
effect for FY 95

4-year phase-in
of expenditure
cap, effective
July 1, 1989

ROLL CALL VOTE

SENATE COMMITTEE EDUCATION

Date 2/15/89 S Bill No. 360 Time _____

NAME		YES	do not pass
	<i>to be tabled</i>		
Vice Chairman Dennis Nathe	✓	✓	✓
Senator Chet Blaylock	✓	✓	
Senator Bob Brown	✓	✓	
Senator Dick Pineseault	✓		✓
Senator William Farrell	✓	✓	
Senator Pat Regan	✓	✓	
Senator John Anderson			✓
Senator Joe Mazurek	✓		✓
Chairman H.W. "Swede" Hammond	✓		✓
	<i>4/4</i>		
		<i>4</i>	<i>4</i>

Julie Harmala
Secretary

H. W. Swede Hammond
Chairman

Motion: _____
SB 360 do not pass

SB 360 be tabled

ROLL CALL VOTE

SENATE COMMITTEE EDUCATION

Date 2-15-89 Senate Bill No. 378 Time _____

NAME	YES	NO
Vice Chairman Dennis Mathe		✓
Senator Chet Blaylock	✓	
Senator Bob Brown		✓
Senator Dick Pinsoneault		✓
Senator William Farrell		✓
Senator Pat Regan	✓	
Senator John Anderson		
Senator Joe Mazurek	✓	
Chairman H.W. "Swede" Hammond		✓

3 ↔ 5

*just reverse vote
for do not
pass*

Julie Harmala Secretary *for do not pass* H. W. Swede Hammond Chairman

Motion: Senator Regan moved SB378
do pass - failed
Senator Brown moved SB378
do not pass - reverse