

MINUTES

MONTANA SENATE 51st LEGISLATURE - 1st SPECIAL SESSION

COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

Call to Order: By Chairman Ted Schye and Chairman H.W. Hammond,
on June 20, 1989, at 1:35 p.m.

ROLL CALL

Members Present: All Senate Education Committee Members Present
All House Education Committee Members Present

Members Excused: None

Members Absent: None

Staff Present: Andrea Merrill, Legislative Researcher
David Cogley, Legislative Researcher
Claudia Johnson, House Committee Secretary
Jaelene Johnson, Senate Committee Secretary

Announcements/Discussion: This was a joint hearing between the
Senate and House Education Committees in the Senate
Judiciary Chambers.

HEARING ON HOUSE BILL 7

Presentation and Opening Statement by Sponsor:

Representative Gilbert, House District 22, opened stating that HB 7 eliminates the number of instructional days in a school year to 180 days and 7 PIR days. He stated that the 180 days is the accepted number of educational days in the state of Montana. He stated that in talking about equalization between the Legislature and the Supreme Court, that one of the first steps is what will be paid for equally? Representative Gilbert stated that with almost everyone using the 180 days it should be the logical number to use. He stated that there are some schools that are using more and everyone knows why. Representative Gilbert stated that this came out of SB 203 that was worked on by the Select Education Committee in the regular session and the Members on that Committee voted unanimously for the 180 days and the 7 PIR days.

Testifying Proponents and Who They Represent:

None

Proponent Testimony:

None

Testifying Opponents and Who They Represent:

Tom Bilodeau, Montana Education Association
Bob Anderson, School Board Association
Jack Copps, Deputy Superintendent of OPI
Terry Minow, Montana Federation of Teachers

Opponent Testimony:

Mr. Bilodeau spoke briefly on the direct retroactive impact of the bill as proposed. He stated that technically it is difficult to implement this type of bill when there is an adverse impact on school districts. He stated that the schools are already budgeted for the coming school year. Mr. Bilodeau stated that previous legislation has been presented to the Legislature to back down to the 180 days plus the 7 PIR days. He stated that is what the schools are headed for and the back down provisions were for one day per year. Mr. Bilodeau stated that there are some schools, i.e. Billings and Great Falls that have 189 and 192 days, if this bill is immediately imposed there will be an impact loss of 3 percent of the Foundation Program funding for those districts that already have their budgets in place for the upcoming school year.

Mr. Anderson stated that in light of the fact that the schools have now set their budgets for the year and have hired their staff members the school boards will have to abide by those contracts. Mr. Anderson stated that if this bill passes the schools districts will have to back track and there would be a lot of litigation if the contracts and PIR days are eliminated. Mr. Anderson stated that the idea that came out of the regular session was that the 180 days would be considered as part of some new equitable funding system, but not a part of the old system. Mr. Anderson stated that this bill speaks on the old system and the old contracts have to be honored.

Mr. Copps stated that the OPI stands in opposition to this bill for the same reasons expressed in previous testimony. Mr. Copps stated that during the regular session OPI supported

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 3 of 19

the equalized number of Pupil Instruction Days to 180 days. Mr. Copps stated that the OPI and the Legislature has lead the school districts to believe that they would not be using the shotgun method approach to equalization for this coming year. He said that the OPI supports equalizing the number of days to 180, but would prefer it to begin in 1990.

Ms. Minow stated that MFT opposes this bill for reasons already stated. She stated that equalization must be a comprehensive process not a piecemeal one.

Questions From Committee Members: Representative Simpkins asked Mr. Copps to clarify his comments about the OPI supporting the bill except for the implementation date, and if the Committee changes the date to July 1, 1990, would that be satisfactory? Mr. Copps stated that the date change would be acceptable and stated only that the OPI asked for the inclusion of the 180 days in the funding proposal as it has been in the past.

Closing by Sponsor: Representative Gilbert stated that the issue here was not on quality education because of the 4, 5, or 6 days, and that the length in the school year does not have anything to do with quality education. He stated that this bill does deal with money and the longer the schools are open the more money they will receive. Representative Gilbert stated that the idea of this bill is not to increase the equalization spending, but to try and maintain a balance on spending. Representative Gilbert stated that he did not have a problem with this bill going into effect on July 1, 1990. He stated that if those schools that want to go over the 180 days this bill states clearly that the School Foundation Program will not pay for it.

HEARING ON SENATE BILL 5

Presentation and Opening Statement by Sponsor:

Senator Williams, Senate District 15, stated that this bill had been introduced in the 1986 special session and this one item had been overlooked. Senate Bill 5 limits the pupil instruction days to 180 days and the PRI days to 5 days. Senator Williams stated that the Legislature might not be here today if this bill had been enacted on in a previous session instead of overlooked. Senator Williams felt that the problem would be addressed with the teachers signing their contracts on a hourly base rate.

Testifying Proponents and Who They Represent:

None

Proponent Testimony:

None

Testifying Opponents and Who They Represent:

Bob Williams, School Board Association
Tom Bilodeau, MEA
Terry Minow, MFT

Opponent Testimony:

Mr. Williams asked that the Legislative Research staff look into this bill in regards to the constitutionality of the impairment of contracts. Mr. Williams stated that he believed that teachers' salaries cannot be cut this time of year because of the change in the 180 days.

Mr. Bilodeau stated that he and the MEA are opposed to this bill. He stated that the hourly wage adjustment is very perplexing in that the teachers do work year around and are paid for 9 months. Mr. Bilodeau stated that the teachers have obligations in the summer months for continuous education requirements and obligations of license. He asked that the Committee not forget those hours of employment obligations that are not paid.

Ms. Minow stated that MFA is in opposition to this bill. She said that the proposal of reducing teachers salaries to an hourly rate base does not deal with this special session and the equalization question and asked that the Committee give SB 5 a do not pass recommendation.

Questions From Committee Members: Senator Farrell asked Senator Williams if he had done any research in regards to the hourly base rate as to what happens on Saturdays and after school hours, and if the savings were being spent for those extra hours? Senator Williams stated that he had not and thought that the merit pay would cover that part of those hours. Senator Williams stated that he has worked with the Legislative Council and they reported that the merit pay would work fine and it is legal.

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 5 of 19

Representative Zook asked Mr. Anderson to comment about his concern for budgets that are already set. Mr. Anderson stated that contracts have already been set for this coming school year and that the preliminary budgets would be finalized the fourth Monday in June.

Closing by Sponsor: Senator Williams closed.

HEARING ON HOUSE BILL 3

Presentation and Opening Statement by Sponsor:

Representative Boharski, House District 4, stated that since 1972, the Constitution states in Article X, Section 1, Sub 3, that it is mandated that the Legislature shall provide a basic system for free quality public education in elementary and secondary schools, but in the last 17 years no one has sat down and defined equalization and how it is funded. Representative Boharski stated that the Legislature is responsible for setting up that system as mandated by the Constitution and determine what the State's share is. He stated that without the basic definition in place that the Legislature will not be able to come up with any equalization bill. Representative Boharski stated that like everything else HB 3 has a price attached to it. He stated that the Legislative Fiscal Analysts have done a cost analysis of the basic system of education that is currently in HB 3 and could present it at a later date. He felt that the Supreme Court would agree with this definition of basic education, but stated that the one thing that was missing and seemed like it should belong and that is dead service or building funds, but he felt that the Supreme Court would probably overlook that because every school in the state of Montana needs a school building. Representative Boharski asked the Committee to pass this bill and get it down on paper so they can look at the costs and try to equalize to a certain degree what the State's share of that will be, and to allow the school districts that spend money in excess of a basic system of education to be able to spend freely so the system is not creating a democratization throughout the state.

Testifying Proponents and Who They Represent:

Wayne Phillips, Governor Stephens' Liaison

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 6 of 19

Proponent Testimony:

Mr. Phillips rephrased what Representative Boharski just presented and stated that the administration strongly supports the concept of this bill. Mr. Phillips stated that this component is essential of everything that the Legislature will do on equalizing when it comes to dollars and the other plans that are presented. Mr. Phillips stated that equalization has been presented based on the amount of dollars, but stated that it would not matter how many dollars are spent unless those dollars provide a basic system of education. Mr. Phillips urged the Committee to give this bill a do pass recommendation.

Testifying Opponents and Who They Represent:

Pat Melby, School Districts that were plaintiffs in the under-funded lawsuit
Claudette Morton, Board of Public Education
Kay McKenna, Lewis and Clark County Superintendent of Schools
Tom Bilodeau, MEA
Bruce Moerer, Montana School Boards Association
Jack Copps, Deputy Superintendent of Office of Public Instruction
Terry Minow, MFT

Opponent Testimony:

Mr. Melby stated that he had to take issue of two objectives that Representative Boharski had presented that were not correct: 1.) When the new constitution was adopted in 1972, and the provision regarding the basic system of quality elementary and secondary schools had been adopted then in 1973, the Montana Senate had passed a resolution requesting the Board of Education to define basic quality education, and in that resolution it was stated that the purpose of that definition would be for consideration of future budgetary schedules for a quality education not a basic education and stated that was the difference between his clients and the position in this bill, and 2.) that Representative Boharski had stated that the Supreme Court would accept this bill, but he hoped that the Supreme Court would reject the premise of the bill. On page 22, lines 23 through line four on page 23, it suggests that the Legislature is only responsible for funding the State's share of basic quality education. (See EXHIBIT 1).

Ms. Morton stated that the Board of Public Education is in support of a system, but the BPE is not a proponent nor an

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 7 of 19

opponent to this bill. She felt that Representative Boharski has a good start with this bill, but the definition is not complete and that the Legislature needs to define what elements are a part of the system.

Ms. McKenna reiterated what Ms. Morton had stated and gave a synopsis of what the three words "basic quality education", mean to the different age groups.

Mr. Bilodeau defined two points: 1.) The proceedings that lead to the language out of the Constitutional Convention and a recently filed memorandum that is in support of the plaintiffs' case to the Supreme Court. He stated that "basic" does not refer to curriculum, but to K-12 education, and 2.) educational funding and the definition of basic education were discussed by two interim committees between the last two sessions and MEA opposes a legislative dictate on quality education and the curriculum imposition of local control over the school districts and the imposition on the Board of Public Education's constitutional rights to determine mandatory statewide standards.

Mr. Moerer stated that he concurs in Mr. Melby's conclusion that this bill is lacking in constitutionality and the Montana School Board Association wanted to go on record in opposition of HB 3.

Mr. Copps stated that the OPI appears as an opponent to this bill, but they would be an eager and willing participant to carefully study this subject. Mr. Copps stated that if this bill were to pass both the House and Senate today there would not be sufficient time during this Special Session to provide the figures necessary to determine what the funding level should be for education.

Ms. Minow stated that formulating a definition of basic quality education is too difficult to do in such a short period of time. She asked the Committee to not pass HB 3.

Questions From Committee Members: Representative Phillips asked Ms. McKenna if she saw anything in this presentation that takes away from the Board of Public Education to outline the curriculum? Ms. McKenna replied that legislators and educators have originally felt that a basic education comes mainly from the standards. She stated that the Board of Public Education has the initial control over those standards after they are ratified by the Legislature.

Representative Gervais asked Representative Boharski if there is

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 8 of 19

anything in the bill that relates to sports? Representative Boharski replied that sports is not addressed in this bill and stated that he hoped it could be discussed. Representative Boharski said he thought that this academic challenge is in the accreditation standards referred to in the first part of his bill.

Representative Nelson asked Representative Boharski if there is a time limit on this basic system, and if he thought that it could be settled before the July 1 deadline date or did he plan on having an interim study? Representative Boharski stated that there does not need to be a time limit because the bill he just presented will provide a basic system of education and it can be accomplished because the costs and definitions have already been presented in HJR 16.

Representative Eudaily asked Representative Boharski regarding the new language if the bill was adopted would the Legislature be locking the State into the 100 percent costs of the Foundation Program plus the allowable costs in special ed and transportation schedules? Representative Boharski stated that this bill does not address that issue, but felt that even though it is not included in the title or definition that it will work with the Foundation Program itself. Representative Boharski stated that the Constitution does not mandate that the Legislature fund 100 percent. The Foundation Program will be the support for the Legislature in schemes, subsidized mills, schedules, etc.

Representative Eudaily commented to Representative Boharski that the bill clearly states that the State's share of the costs is determined by the Foundation Program which means that whatever the FP has set, plus special ed, transportation and etc., which is the States' share would mean 100 percent. Representative Eudaily asked if that is what this bill really means? Representative Boharski replied that if it is assumed that the FP is 100 percent, then it would be yes, but he stated that he did not feel that the FP has been 100 percent in the past nor at this time.

Closing by Sponsor: Representative Boharski closed stating that he is upset with the opponents to the bill not being able to come up with better arguments than to say that this concept cannot be done. Representative Boharski stated that this bill came together by using bits and pieces handed down from the last 30 years. He stated that the Legislature would have a starting point with this bill and the cost figures are there. He stated that he is open for amendments anything to be placed on paper to be equalized.

HEARING ON HOUSE BILL 16

Presentation and Opening Statement by Sponsor:

Representative Grinde, House District 30, stated that this bill requires the school districts to use the Generally Accepted Accounting Principles (GAAP). Representative Grinde stated that this bill originated out of the Select Committee for Education because of the frustrations of placing numbers together to form a base for equalization. He stated that the only concerns he has on this is on the bottom of page 2, lines 17-20. Some smaller schools are concerned that they will have to purchase computers and components to administer this. He stated that the OPI has developed methods for calculating educational data electronically and the smaller schools will have to go with paper and pencils.

Testifying Proponents and Who They Represent:

Greg Groepper, OPI
Claudette Morton, Board of Public Education
Kay McKenna, Lewis and Clark County Superintendent of Public Schools
Wayne Phillips, Liaison for Governor Stephens

Proponent Testimony:

Mr. Groepper thanked the House Select Committee on Education for working with the OPI to put the language and requirements together on SB 203. Mr. Groepper stated that there is a need for a sound common base of financial data on what the money is being spent on by the schools.

Ms. Morton stated that the BPE has an interest in the cost of education, but does not have all the data from the schools. She stated that this is a good bill to help provide that data to help the BPE do their work and it would help everyone in making decisions.

Ms. McKenna stated her support for two reasons: 1.) As a very recent director of the Montana Association of School Business Officers (MASBO), and 2.) as a member of the Montana Association of County Superintendents of Schools, she hoped that this bill could be part of a total equalization package.

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 10 of 19

Mr. Phillips stated that the Governor's office strongly supported this bill and feels it is essential and can stand alone or go with any of the other equalization plans.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: Senator Blaylock asked Mr. Groepper about some of the school districts that have developed troubles because of not spending their money wisely and asked if this would help those schools? Mr. Groepper replied that part of the problem was when those districts ran out of money at the end of the year and with the present system making it easier for them to hold onto some of the bills and pay for them out of next years budget, so they are operating a year behind and GAAP would require that those expenditures to be paid out of that years budget. He stated that there would be a disclosure to the BPE of that situation and it would have to be taken care of in the year it was discovered with the funds from that year and start the next year out fresh. Mr. Groepper stated that he was not sure if it would make it easier to correct the problems, but it will make it more difficult to get into that kind of a problem in the future.

Closing by Sponsor: Representative Grinde closed.

DISPOSITION OF HOUSE BILL 16

Motion: Representative Grinde made the motion for a do pass.

Discussion: Representative Eudaily asked Representative Grinde if there is a reason for the effective date being 1990 instead of 1989 and if it could be implemented the first year of the biennium or does it have to wait until a new plan is in to start an accountability? Representative Grinde stated that he did not have a specific reason because the people he had worked with in the OPI on the plan have left. Representative Grinde stated that he did not have any problem with the plan going into effect immediately.

Representative Cobb stated that the reason for the wait is that

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 11 of 19

it is an education process to teach the people how to use (GAAP) Generally Accepted Accounting Principles.

Representative Schye stated that the Select Committee had decided that the education process should start immediately, but the effect, where the schools have to start using the (GAAP), starts later and asked Andrea Merrill if that was correct? Ms. Merrill stated that the appropriation does not start until the second year of the biennium but the schools had asked for the appropriation so they could conduct training sessions. Ms. Merrill stated that she thought that the schools would have to find those funds in their existing resources because the schools will not receive that money until next year to do those workshops, etc.

Amendments, Discussion, and Votes: None

Recommendation and Vote: The question was called. The motion CARRIED unanimously to DO PASS.

HEARING ON HOUSE BILL 1

Presentation and Opening Statement by Sponsor:

Representative Cobb, House District 42, stated that most of the bills that he will be presenting were a part of SB 203. He stated that HB 1 will do away with the permissive mills and make it a mandatory mill. He said the mills will go from 45 mills to 55 mills. In the title it states that the Foundation Program will fund 100 percent of the FP schedules in elementary and secondary schools and the 55 mills will go into the Foundation Program to fund education.

Testifying Proponents and Who They Represent:

None

Proponent Testimony:

None

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 12 of 19

Questions From Committee Members: None

Closing by Sponsor: Representative Cobb closed.

HEARING ON HOUSE BILL 9

Presentation and Opening Statement by Sponsor:

Representative Cobb, House District 42, stated that HB 9 revises the payment of equalization aid due to deficient tax payments and provides a delayed effective date.

Testifying Proponents and Who They Represent:

None

Proponent Testimony:

None

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: None

Closing by Sponsor: Representative Cobb closed.

HEARING ON HOUSE BILL 10

Presentation and Opening Statement by Sponsor:

Representative Cobb, House District 42, stated that this bill is not a part of SB 203. HB 10 abolishes the Education Trust Fund and allocates the money to the Office of Public Instruction for the State Equalization Aid Account. Representative Cobb stated that at the present time there is a balance of \$29 million. Each year \$3 to 4 million goes into the trust fund. He stated that instead of having to go in and retrieve it all of the time to place it where it is constantly being used.

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 13 of 19

Testifying Proponents and Who They Represent:

Greg Groepper, OPI

Proponent Testimony:

Mr. Groepper stated that OPI rises as a reluctant proponent. He stated that the problem the schools are in at this time from the funding difficulties for the Foundation Program is because the Educational Trust account has been constantly chipped away on, it generates less interest, and less revenue from subsequent years for the FP.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: None

Closing by Sponsor: Representative Cobb closed.

HEARING ON HOUSE BILL 13

Presentation and Opening Statement by Sponsor:

Representative Cobb, House District 42, stated that this is an act to include allowable cost for special education programs and the costs of the different retirement systems. He stated that at the present time the current law gives money for the special education budget and does not allow the districts to include the different costs of the retirement funds. This bill allows the State to pay their share of around \$3 million.

Testifying Proponents and Who They Represent:

None

Proponent Testimony:

None

Testifying Opponents and Who They Represent:

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 14 of 19

Mr. Groepper, OPI

Opponent Testimony:

Mr. Groepper stated that the funding for the special education for the next biennium has been included in HB 100. He stated that in this bill there is not an appropriation to deal with the retirement costs for special education. Mr. Groepper stated that if this bill is passed it would have to have an amendment for appropriations to cover the additional special educational retirement costs.

Questions From Committee Members: None

Closing by Sponsor: Representative Cobb closed.

HEARING ON HOUSE BILL 14

Presentation and Opening Statement by Sponsor:

Representative Cobb, House District 14, stated that HB 14 is an act that requires investment of Education Equalization Aid Account income to be given back to the OPI. He stated that currently the aid account is invested and the interest goes into the general fund. This bill will keep the interest in the equalization aid account and will generate about \$200,000 because they will be paying on a monthly basis.

Testifying Proponents and Who They Represent:

Terry Cohea, OPI

Representative Grinde, House District 30

Proponent Testimony:

Ms. Cohea stated that the OPI supports this bill and the concept of maximizing earnings on the equalization funds. She stated that it is also a good concept to have the interest flow into the equalization account rather than the general fund account.

Representative Grinde thanked Representative Cobb for breaking down SB 203 like this and stated that Representative Cobb has created an option in case the other bills do not pass through their committees or the floor.

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 15 of 19

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: None

Closing by Sponsor: Representative Cobb Closed.

HEARING ON HOUSE BILL 6

Presentation and Opening Statement by Sponsor:

Representative Schye, House District 18, opened stating that this bill was HB 618 during the regular 1989 Legislative Session. This bill is the 4 percent increase for the first year of this coming biennium for the Foundation Program. Representative Schye stated that he felt it was imperative that the Legislature give this increase to the schools for this coming year, and that the equalization will start the second year of the biennium. He stated that he has new figures coming from the LFA's office but did not have them printed yet. With the LFA's new revenue estimates and some of the incidents that have happened since, he felt that the Legislature did not need the \$11 million to place this bill into effect. He said that the Committee needs to take the Education Trust Fund that Representative Cobb had presented earlier for \$29 million. The LFA figures the amount for the Education Trust Fund to be at \$30 million. He said by bringing the schedule up to 0 and placing the \$11 million in, there will be enough money in the Education Trust Fund to bring the Foundation Program up to 0 and give the 4 percent increase without the general fund increase of \$11 million that the bill has. He stated that the bill does have the \$11 million general fund increase in it, but felt that both Senate and House Education Committees should look at the revenue estimates and make sure that it is correct and that the \$11 million increase from the general fund is not needed, because the money can be used from the Education Trust Fund. Representative Schye stated that the schools have been setting for the last three years at 00 and 1 and they need the increase to bring the schedule back up. He stated that this bill is just a straight 4 percent increase

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 16 of 19

and is not built into the base and does not do anything in the future, it is just for this first year of the biennium until the equalization plan can start.

Testifying Proponents and Who They Represent:

Nancy Keenan, State Superintendent of Schools, OPI
Don Waldron, Superintendent of Hellgate Elementary School
Tom Cotton, Superintendent of Dear Lodge Elementary School
Kay McKenna, Lewis and Clark County Superintendent of Schools
Terry Minow, Montana Federation of Teachers
Bob Anderson, School Boards Association
Bill Donahue, Superintendent of Superior School District
Claudette Morton, Board of Public Education
Phil Campbell, Montana Education Association
Mignon Waterman, representing herself

Proponent Testimony:

Superintendent Keenan thanked both Committees for their support of HB 618 from the regular 1989 Legislative Session. She said that the school districts are "budget holding on" until the Legislature can solve the equalization and funding problem. Superintendent Keenan stated that everyone knows that whatever comes out of this Special Session cannot be implemented by this fall of 1989. Superintendent Keenan distributed a handout on why the 4 percent increase is needed. (SEE EXHIBIT 2). Ms. Keenan gave an overall view of the chart on Exhibit 2 and explained page 1, which shows where the Foundation Program has stayed at the same level since 1986. The graph on the second page shows how the taxes are levied in Montana. In 1984 there was \$329 million levied in taxes and as of 1988 there was \$299 million levied, a \$44 million reduction in taxes levied for schools. The graph on page three reflects the inflation comparisons from the same years 1984 to 1988. She stated that there was an \$88 million increase in the purchasing power of the dollar from 1984 to 1988. The purchasing power of that dollar is \$82 million less today than in 1984. Superintendent Keenan stated that the State is up against a level Foundation Program, less taxes and an increase in inflation over those same years. (See EXHIBIT 2).

Mr. Waldron said he is speaking for the school administrators of Montana. He stated that next Monday night the school administrators will be seated with their school boards trying to balance a budget. Mr. Waldron stated that the schools in Montana are not talking about inflation anymore, but survival. Mr. Waldron urged the Committees to put the

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 17 of 19

school funding level back to where they were a few months ago.

Mr. Cotton stated that he just finished a school year in his district in Deer Lodge that left them with 8/10ths of 1 percent of their budget which amounted to about \$14,000, out of a budget of \$1.723 million. Mr. Cotton stated that there are many districts considering spending their reserves and stated that his district did not have any reserve left to use. Mr. Cotton said that HB 6 will increase Deer Lodge's spending authority by approximately \$24,000 this coming fiscal year which is a 1.5 percent increase.

Ms. McKenna stated that over the last three years inflation has risen over 13 percent; spending on students less than 5 percent; and the State funding for the schools increased by only 1 percent. She talked about inflation in 1989 and how Montana spends 9 percent less per student than they did three years ago. She stated that there were only two schools in the state of Montana that did not pass their emergency school levies. Ms. McKenna urged the Committees to support this bill.

Ms. Minow stated that this bill is essential, equitable and affordable. She asked that the Committees pass this bill again.

Mr. Anderson stated that this will be a 2 percent increase to the Foundation Program of that portion that is equalized. Mr. Anderson urged the Committees to do pass HB 6.

Mr. Donahue reiterated the previous testimony. He stated that his teachers froze their wages two years ago to keep from losing more programs. He urged the Committees to pass the 4 percent increase.

Ms. Morton stated that the chairperson of the BPE is most interested in the financing of schools and has spent a great deal of time explaining to anyone who will listen about the problems the schools are having in regard to losing money from inflation, and tax freezes, etc..

Mr. Campbell wanted to go on record in support of HB 6. Mr. Campbell stated that it will be impossible for any new system to be generated at this time to take effect for this coming school year. He stated that the schools are on hold, and the teachers are on hold in terms of bargaining because the school districts do not know what kinds of funds they will have to bargain with.

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 18 of 19

Ms. Waterman reiterated on the Lewis and Clark schools that were affected by the Montana Power trending decision. She stated that a census information was compiled and the voters in Helena overwhelmingly passed the regular and emergency levies for school funding on a 2-1 margin. Ms. Waterman asked for the Committees support in passing the 4 percent increase.

Testifying Opponents and Who They Represent:

Rick Florin, District Clerk for Havre Public Schools

Opponent Testimony:

Mr. Florin stated that his district has approved a preliminary budget that reflects a \$562,000 decrease in budget expenditures since 1986. Mr. Florin stated that after reviewing this bill for his budget that a 4 percent increase is not enough and that is why he is opposed to HB 6.

Questions From Committee Members: Senator Blaylock asked Greg Groepper if the bill for the Foundation Program fails, does that mean there is no money if they do not get this type of a bill through? Mr. Groepper replied that was correct. He stated that if the appropriation and authorization are not there the money cannot be spent. The Foundation Program has money that is earmarked to be generated to pay the schools, but this is the bill that appropriates the money. Mr. Groepper stated that if this bill does not pass, e.g., the entire amount in HJR 16, the revenue estimate of about \$180 million, and the OPI will not have the authority to pay the schools.

Senator Blaylock asked Mr. Groepper if the 4 percent is not passed, will the schools be out? Mr. Groepper stated that was correct and the July 15th payment that is due to the schools from the OPI will not be made.

Senator Farrell asked Mr. Bob Anderson about his contracts and budgets that are already set for the coming school year, could he readjust those with this 4 percent if it passes? Mr. Anderson stated that some of the final collective bargaining contracts had been on hold, but they cannot go back as far as tenure and non-tenure teachers who have been hired and eliminate them.

Closing by Sponsor: Representative Schye closed stating that the Committees had a good discussion. He stated that the 4

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

June 20, 1989

Page 19 of 19

percent is necessary for this first school year of 1989/90 than the equalization plan could start the second year. Representative Schye stated that this is the program that would get the funding up to 00 and 4. Representative Schye stated that he had some information coming from the LFA on the projections on the trust fund and how it could be funded by using the trust fund and the 4 percent. Representative Schye stated that a lot of the schools have been waiting to see if the 4 percent is passed to figure their budgets and urged the Committees to support this piece of legislation.

Chairman Schye informed the Committee Members that they will be meeting in the morning at 9:00 a.m. in the old Supreme Court chambers with the Taxation Committee to hear HB 39, Kadas/Ramirez' bill, and then go into the Committee's regular room to take up executive action.

ADJOURNMENT

Adjournment At: 4:35 p.m.


SENATOR H.W. HAMMOND, Chairman

HH/cj-jj

ROLL CALL

EDUCATION

COMMITTEE

50th LEGISLATIVE SESSION -- 1989

Date 6/20/

----- 1st Special Session -----

NAME	PRESENT	ABSENT	EXCUSED
SENATOR ANDERSON	✓		
SENATOR BROWN	✓		
SENATOR BLAYLOCK	✓		
SENATOR FARRELL	✓		
SENATOR REGAN	✓		
SENATOR NATHE	✓		
SENATOR PINSONEAULT	✓		
SENATOR MAZUREK	✓		
SENATOR HAMMOND	✓		

Each day attach to minutes.

DAILY CALL VOTE

EDUCATION AND CULTURAL RESOURCES

COMMITTEE

DATE 6/20/89

NAME	PRESENT	ABSENT	EXCUSED
REP. SCHYE, CHAIRMAN	✓		
REP. DAILY, VICE-CHAIRMAN	✓		
REP. COBB	✓		
REP. COCCHIARELLA	✓		
REP. DARKO	✓		
REP. DAVIS	✓		
REP. EUDAILY	✓		
REP. GERVAIS	✓		
REP. GLASER	✓		
REP. GRINDE	✓		
REP. HARRINGTON	✓		
REP. JOHNSON	✓		
REP. KIMBERLEY	✓		
REP. KILPATRICK	✓		
REP. NELSON	✓		
REP. PECK	✓		
REP. PHILLIPS	✓		
REP. SIMPKINS	✓		
REP. SPRING, JR.	✓		
REP. STANG "SPOOK"	✓		
REP. THOMAS	✓		
REP. WALLIN	✓		
REP. WYATT	✓		
REP. ZOOK	✓		

VISITORS' REGISTER

Education

COMMITTEE

BILL NO. HB's 647DATE 6-20-89

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Don McKenna	Hetera	✓	
Bill Donahue	Superior	X	
Clifford Morton (G)	Board of Public Ed	6✓	
Phil (Bill) Bell	MEVA	HB 6	
Jan Skarke		✓	
Doug Walsh	Plentywood	✓	
Michael Knapp	Missouri - MASA	✓	
Bob Anderson	Helena	6	7
Jan M. Long	SA 147	6✓	
Jack Aggs	OP 2	6	7
Don W. Alder	S. D. M.		
Henry D. Bush	Bulwer	6	7

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

EDUCATION

BILL NO. AB's 143

DATE 6-20-89

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

6-20-89

Education

Support	Oppose
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✓

6-20-89

Education

[illegible]