

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - 1st SPECIAL SESSION

COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

Call to Order: By Chairman Schye, on June 28, 1989, at 1:00 p.m.

ROLL CALL

Members Present: ALL with exception of:

Members Excused: Rep. Kilpatrick and Rep. Nelson

Members Absent: None

Staff Present: Andrea Merrill, Legislative Researcher
Claudia Johnson, Committee Secretary

Announcements/Discussion: None

HEARING ON HOUSE BILL 53

Presentation and Opening Statement by Sponsor:

"AN ACT REPEALING THE RECENTLY ADOPTED ADMINISTRATIVE RULES CONTAINING A NEW SET OF SCHOOL ACCREDITATION STANDARDS; PROVIDING FOR THE READOPTION OF THE PRECEDING SET OF ACCREDITATION STANDARDS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE".

Rep. Simpkins, House District 39, distributed a handout on the definition of law on the procedures used to enact the law. He stated that the administrative rules have been placed into effect, adopting the new accreditation standards referred to as "Project Excellence". Rep. Simpkins stated that some of the effective dates are postponed until after July 1, 1991, 1992, etc. He stated that after checking with the legislative staff the State has been bound to fund these programs without any further consolation for funding purposes. Rep. Simpkins referred to the handout on the law as it currently stands on 20-2-115. (See EXHIBIT 1). He stated that there is no reference to refer to if the Foundation Program is funded or is not funded. The BPE has to request the funding. Rep. Simpkins distributed another handout that had been sent to the Legislature House Chairmen for the Special Session that stated that "Pursuant to section 20-2-115(3) MCA, the BPE requests the Legislature to fund implementation of the rules identified above through the Foundation Program". (See EXHIBIT 2). He stated that no action has been taken by the Legislature to fund these proposals even though there is an impact of approximately \$35 million on the initial estimate by the Legislative

Fiscal Analyst over a period of time. On the first page of Exhibit 2, states that "The Board has chosen to implement the new accreditation standards with delayed effective dates to give the schools time to plan for orderly change". Rep. Simpkins stated that these rules have been implemented according to the law "20-2-115(3) MCA". He stated that the administrative standards have been physically changed and the OPI has published the new standards and distributed them to the book with the effective dates. He stated that in talking with the legal staff the BPE is under no law and no requirement to return to the Legislature asking for any future funds to implement these programs. The BPE had made the request through the Legislature to fund these programs through the Foundation Program. Rep. Simpkins stated that when the Legislature comes in and increases the Foundation Program by 4 percent the BPE can assume it was for their purposes to implement the new accreditation standards when the Legislature thought it would be used for an inflation factor. He stated that the BPE states that "the first two years is nothing more than a reorganization of the current accreditation standards" and he stated that is the only part of the administrative codes that should have been changed. Rep. Simpkins stated that the BPE should have sent out documents to the rest of the schools for planning purposes only and to allow the schools to make impact statements on their particular schools and at the next Legislature the BPE could have come before the Legislature to ask for the funding to implement the next phase of these accreditation standards and the Legislators could have determined if they wanted to implement them into the programs.

Testifying Proponents and Who They Represent:

Dorothy Cody, Representative from HD 20, Wolf Point, MT.
John Phillips, Representative from HD 33, Great Falls, MT.

Proponent Testimony:

Ms. Cody stated that the issue is not if the Legislature is for or against "Project Excellence". She stated that maybe it is needed for education, but it is the administrative's duty to take care of the State. Ms. Cody stated that these rules will go into effect over a 10 year period, but was concerned that it is too long of a time period. She stated that the rules do not need to be implemented 10 years down the road, but the Legislature could enact on a rule every session.

Mr. Phillips stated his support for HB 53 and urged the Committee to consider it.

Testifying Opponents and Who They Represent:

Claudette Morton, Exec. Secretary for the Board of Public
Education
Jack Copps, Office of Public Instruction

Kay McKenna, Lewis and Clark County Schools
Dennis Kraft, Administrator of Schools, Missoula, MT. and MASA
Terry Minow, Montana Federation of Teachers
Eric Feaver, Montana Education Association
Chuck Blaylock, Representing SD 43, Laurel, MT.

Opponent Testimony:

Ms. Morton stated that Alan Nicholson who could not be here wanted her to assure the Committee that the Board of Public Education takes it's responsibilities very seriously, including those responsibilities that the Legislature assigns to them. She stated that in the 1987 Legislature, House Joint Resolution 16, was to look at the adequacy of the accreditation standards and to determine how they could be adequate for part of the definition of the basic system of basic quality education. Ms. Morton stated that the study undertaken by the BPE had revised the standards, but at the December 1988 meeting after the final hearing, the BPE felt that there was too much testimony to come to a conclusion to pass on the standards. In recognizing the the Board's responsibilities to the Legislature the BPE had submitted a letter on the fiscal note. She stated that the BPE met again in late January 1989, and the final decision in the standards was to implement them in time, e.g., a study in 1989 to gather data on costs, etc.. Ms. Morton stated that the OPI and the Legislative Analysts had informed the BPE that the final fiscal note would be \$131 million over a 11 year period. She stated that the figures from the LFA's office had been given to the Administrative Codes Committee which showed that the implementation cost at the present time with the standards in place was about \$10 million for those rules. She stated that almost \$30 million in the superintendent standards is a savings because fewer superintendents are required. Ms. Morton stated that if the Legislature feels that this is a issue that needs to be resolved, to place it into Sen. Brown's study or work with the BPE for another bill in the 1991 Session.

Mr. Copps stated that he is confused by the intent of this bill because it states specifically that the Legislature has not had adequate time to address this matter. Mr. Copps read from a green book which was the publication given to the Legislators by the Legislative Council's office. He quoted the sites of recommendations which had come from that joint committee which states "that the standards adopted by the BPE do constitute and will constitute the instructional portion of a basic system of free quality education". Mr. Copps stated that this recommendation had come before the Legislature in January and urged the Committee to oppose this bill.

Ms. McKenna stated that as a parent and a taxpayer she hoped that the Committee would oppose this bill. She stated that the Legislature's portion of their task is a political process

and hoped that the accreditation standards will always remain an educational process.

Mr. Kraft stated that the MASA is in opposition of HB 53.

Ms. Minnow stated her and the MFT's opposition of HB 53.

Mr. Feaver stated that the MEA is in opposition of HB 53 and hoped that the Committee would give this bill a do not pass recommendation.

Mr. Blaylock stated that he felt that the Legislature was angry at "Project Excellence" because of a shortage of money. He stated that the Legislature passed a resolution, HJR 16, in 1987 in hopes that the BPE would come up with a set of standards. He urged the Committee to do not pass.

Questions From Committee Members: None

Closing by Sponsor: Rep. Simpkins closed stated that this law repeals the standards not the Board of Public Education. He stated that the Legislative Council has advised him that this law is readopting the previous standards so there is no need of new hearings or meetings required for readoption. He stated that it is the schools duty to adopt curriculum and the law that he is introducing protects that. Rep. Simpkins stated that the Constitution reads "the local Board of Trustees have control and supervision over the local districts". The Constitution states that "the BPE has general supervision over the public school system". Rep. Simpkins stated that the Legislature should only control what is their duty.

HEARING ON HOUSE JOINT RESOLUTION 1

Presentation and Opening Statement by Sponsor:

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM COMMITTEE STUDY ON RESTRUCTURING MONTANA'S PUBLIC SCHOOL DISTRICTS; AND REQUIRING THE COMMITTEE TO REPORT THE FINDINGS OF THE STUDY TO THE 52ND LEGISLATURE.

Rep. Stang, House District 52, opened stating that this bill is for an interim committee study on restructuring Montana's public school districts. He stated that in the last five years since he has been involved with the Legislature there has been a lot of support around his district for finding ways to combine administration in consolidating the public school districts. Rep. Stang stated that maybe this bill could be incorporated with Sen. Brown's bill in equalizing schools using a larger base. He stated that this bill is not intended to consolidate schools forcefully, and if it is to be that it should be done on the local level.

Testifying Proponents and Who They Represent:

Don Waldren, Supt. of Missoula Schools
Larry Grinde, Representing HD 30, Lewistown, MT.
Bob Anderson, Montana School Board Association
Richard Simpkins, Representing HD 39, Great Falls

Proponent Testimony:

Mr. Waldren stated that the superintendents in Montana do support this bill for a study because it leaves the option up to the districts. The study when completed will show how money can be saved and make for a better educational program for the students of Montana.

Rep. Grinde stated his support for HJR 1. Rep. Grinde stated that the administrators in his district are looking at consolidation and felt that it should be considered.

Mr. Anderson stated that MSBA supports the concept of this study on school reorganization. He did state that the MSBA would want a fair consideration by elected trustees who govern these districts and be consulted during the study.

Rep. Simpkins reiterated what Mr. Anderson had stated about using school boards. He stated that this has been done successfully in Great Falls.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: Rep. Phillips asked Rep. Stang what kind of a committee was he talking about? Rep. Stang replied that the Select Committee was still there to study some of the school funding programs, retirement and etc..

Rep. Eudaily commented about this bill being incorporated with other committee studies because of lack of funding and rather than creating a new study committee to incorporate this with SB 16 that involves accountability or each one of the equalization bills which have an oversight committee.

Closing by Sponsor: Rep. Stang closed stating that most of the problems that come with doing this is that a lot of the small schools each have their own administrators. In order for a teacher to sign a contract they would have to sign a contract with each school board and would make it too difficult.

DISPOSITION OF HOUSE JOINT RESOLUTION 1

Motion: Rep. Phillips made a motion for a do pass.

Discussion: Rep. Stang asked Rep. Eudaily if he thought it would be best to incorporate this bill with Sen. Brown's bill or to pass it as is and let the Legislative Council incorporate it as part of their study? Rep. Eudaily replied that the law states that the Council has the right to assign these interim committees and he felt that could be done, but somebody might challenge this not having gone through the priority rank.

Rep. Kimberley stated that with 550 school districts if it wouldn't be best to have the study on its own.

Rep. Eudaily stated that he did not know if the study for this bill could be accomplished in the interim by itself.

Amendments, Discussion, and Votes: None

Recommendation and Vote: The question was called. A voice vote was taken. The motion CARRIED unanimously to DO PASS. Rep. Cobb voted no.

DISPOSITION OF HOUSE BILL 53

Motion: Rep. Simpkins made the motion for a do pass.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: Rep. Stang made the motion to table HB 53. Roll call vote was taken. The motion CARRIED 14/8 to TABLE HB 53.

HEARING ON SENATE BILL 16

Presentation and Opening Statement by Sponsor:

"AN ACT CREATING A JOINT LEGISLATIVE COMMITTEE ON ACCOUNTABILITY AND QUALITY IN EDUCATION; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE".

Rep. Eudaily, House District 60, presented SB 16 for Sen. Brown. He stated that this is a study resolution bill, but a Senate bill was made out of it. He stated that the important issue of this bill is the duties of the committee in the study of proposals for assuring accountability and

quality in public elementary and high school programs. Rep. Eudaily stated that this bill was approved by the Governor along with several others and stated that this bill should not be rushed into as far as; accountability for report cards, the GAAP program, merit pay for teachers, allowing students to go to the schools of their choice, allowing seniors to attend college for course credit, and specialized certification for instructors. Rep. Eudaily stated that all these areas were in the Governor's century plan.

Testifying Proponents and Who They Represent:

Eric Feaver, MEA
Claudette Morton, Exec. Sec. BPE
Berg Kimberley, Representing HD 90, Billings, MT.
Don Waldren, Supt. Missoula Schools

Proponent Testimony:

Mr. Feaver stated that in agreement with Sen. Brown and House Speaker John Vincent the MEA went along with the presentation and introduction of this bill for a study.

Ms. Morton stated that the BPE are in support of the study and would be willing to help with resources, material and background that the BPE has to offer.

Rep. Kimberley stated that he had agreed with the points in the Century Program and he goes along with the committee study. He urged support for SB 16.

Mr. Waldren stated that he was speaking for the school administrators of Montana and they endorse the study. He stated that they do not agree with everything but would like to see the study done so they could come to an agreement.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: None

Closing by Sponsor: Rep. Eudaily closed.

DISPOSITION OF SENATE BILL 16

Motion: Rep. Daily made the motion to be concurred in.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: The question was called. A voice vote was taken. The motion CARRIED unanimously to BE CONCURRED IN. Rep. Wyatt voted no.

HEARING ON SENATE BILL 26

Presentation and Opening Statement by Sponsor:

Senator Nathe, Senate District 10, and Senator Mazurek, Senate District 23. Senator Nathe opened first stating that this bill is basically SB 203 as it came over from the floor of the House of Representatives. He stated that the difference is in the method of funding or in the funding and achieving property tax reform, or in the method of funding and trying to distribute the wealth, but he stated that this bill only funds. Sen. Nathe stated that this bill is a compromise between Sen. Mazurek's SB 7 and his bill SB 203. The retirement was outside of the general fund when it was sent back from the House who had funded it at 90 percent of the 1988 actual expenditures and the caps had been set at 130 percent. Sen. Nathe stated that everything was left the same except he placed retirement back into the general fund with Rep. Eudaily's amendment on it. Sen. Nathe stated that Sen. Mazurek's bill had retirement out of the general fund and was funded at 100 percent of the 1988 actual expenditures and had 120 mills. Sen. Nathe stated that his bill, SB 203, called for 75 mandatory mills. He stated that using the funding mechanism from SB 468 that had been introduced by Sen. Harp, was to fund SB 203. He stated that in the compromise bill they dropped the mills to 100 mandatory mills, a flat rate tax on gross proceeds for the energy industry and the retirement is out of the general fund. Sen. Nathe stated that the percent of funding has been decreased to 95.4 or 95.8 percent funding of the 1988 actual expenditures. He stated that the biggest problem that they face with this bill is the funding source. They both had the 10 percent surcharge and some coal tax diversion. He stated that this bill is a temporary diversion of on going revenue depending on the Legislature making it permanent in the future or using it temporarily for now.

Senator Mazurek distributed a handout on the recap of action taken in the Senate Education Committee and the summary of School Funding Equalization Proposals considered by the Senate Education Committee put out by the Council. (See EXHIBITS 3 & 4). Sen. Mazurek reiterated what Sen. Nathe had proposed, but stated that this was a long term approach funded with ongoing revenue. He stated that the surcharge does not sunset in two years but the coal diversion does. Sen. Mazurek stated that they have taken \$4 million of the additional money which the LFA's office had identified, but

stated that if the Committee wanted to increase the percentage of the income tax that goes into the Foundation Program to take the balance of what is left about \$50 million which could be an ongoing source. Sen. Mazurek stated that the one thing they did do is to phase in the retirement so there is no impact in the bill in FY 1991. He stated that beginning in FY 1992, one half of the cost of retirement would have an impact of \$19 million which would come from all the districts when they levy up to the average retirement mill levy of 21 mills, or 13.5 on elementary and 8.5 on high schools. He stated that when the districts levy below the average that it continues that way and if the levy is done above the average on retirement, the phase in would be that the State would reimburse those districts which are above average and over that mill levy. He stated that this would assist the low wealth districts when the plan is phased in because the low wealth will not have to go up to the average or above the average on retirement as this is phased in over a period of four years. Sen. Mazurek stated that this bill calls for a study of transportation, retirement and capital outlay. Sen. Mazurek stated that by eliminating the per student spending disparity is the only way to equalize. He stated that if the caps remain in place at 121 percent of the Foundation Program schedules that the problem that the State has been subjected to will be solved.

Testifying Proponents and Who They Represent:

Nancy Keenan, State Supt. of Schools, OPI
Bob Anderson, MSBA
Eric Feaver, MEA
Pat Melby, Attorney for Plaintiffs in the underfunded lawsuit.
Terry Minow, MFT
Don Waldren, Supt. of Missoula Schools
Kay McKenna, Lewis and Clark Co. Supt. of Schools
Steve Brown, Indian Impact Schools
Dennis Kraft, President of Administrators
Claudette Morton, Exec. Sec. BPE
Mignon Waterman, School Trustee in Helena
Rep. Bardoneauv, Representing HD 16, Harlem, MT

Proponent Testimony:

Supt. Keenan stated that this bill draws on the best points of Sen. Mazurek's SB 7, Sen. Nathe's SB 20 and SB 203 from the regular Session. She stated that the Plaintiffs' attorney indicates that this bill will meet the equalization mandate set by the Supreme Court decision in a moderate and cost effective way. This bill does not increase total funding for Montana public schools and it moves towards equalization expenditures for each of Montana's students. She stated that the combination of the 121 percent cap and the 95 percent of the 1988 expenditures will insure that equalization now and in the future is in place. Supt.

Keenan stated that the bill is balanced for the FY 1991 biennium and provides \$128 million of new state revenue per year that is ongoing. She stated that even though the cost of this bill exceeds revenue when it reaches FY 1992 as the additional retirement costs are phased in that the Legislature will have the time and the opportunity to look into the tax reform.

Mr. Anderson stated that this bill comes the closest of the consensus points by the MSBA. He stated that this bill is not a good bill nor a bad bill but a compromise bill and felt it should be passed out of Committee and into the House tonite because Sen. Nathe, Sen. Mazurek and the Senate Education Committee have done their duty.

Mr. Feaver stated his support of this bill and urged the Committee to do likewise.

Mr. Melby stated that this bill is acceptable by the Plaintiffs and if it passes the House the Plaintiffs will not challenge it in the Supreme Court.

Ms. Minnow stated that she is in support of this compromise bill. She stated that it is a bill that the schools can live with and maintain Montana's quality of education.

Mr. Waldren stated that the School Administrators fully support the dialogue in this bill.

Ms. McKenna urged the Committee to support this bill.

Mr. Brown stated that the Indian Impact Schools were in support of this bill and acknowledged Rep. Gervais stating that the provisions concerning the 874 monies are acceptable.

Mr. Kraft stated that the superintendents of Montana are in agreement of the compromise bill and urged a do pass.

Ms. Morton stated that the BPE wanted to go on record in support of SB 26.

Ms. Waterman stated that there were bills before the Special Session and the regular Session that would have benefited the Helena district with additional funding more than in this bill and would have provided more property tax relief for Helena taxpayers. She stated that the Trustees believe this is a fair bill for all students in Montana and urged the Committee to pass this bill.

Rep. Bardanoue stated his support for this bill because it comes the nearest in meeting the test of the Supreme Court.

Testifying Opponents and Who They Represent:

Wayne Phillips, Liaison for Governor Stephens

Dr. Ken Nordtvedt, Dir. Dept. of Revenue

Opponent Testimony:

Mr. Phillips stated that this bill does not have problems with equalization with the debate that has come down with the mechanisms that are used. He stated that the fundamental concern with this bill submitted by the authors and Supt. Keenan is that it does not balance. It does not balance beyond the 1991 biennium so when the next Legislature comes in they will be facing a deficit. Mr. Phillips gave a synopsis of what this bill will do: 1) The LFA projects about \$41 million of temporary diversions, 2) the retirement funds that amount to \$55 million that will have to be paid for someday, somehow, 3) the surtax is a temporary source, 4) the caps will allow 21-23 percent growth, 5) the "Project Excellence" is due to come on board and the LFA projected it will cost \$30 million, and 6) a drop in the property tax valuations that will have to be addressed in the future. Mr. Phillips stated that the total of these items will cost the State around \$150 million in the black hole and should be addressed and the millage needs to be looked at in this bill. He stated that even though it calls for 100 mandatory mills there are retirement mills, transportation and capital outlay that will total about 130 mandatory mills statewide. The caps allow for extravagant growth of \$100 million for schools in the state of Montana. Mr. Phillips stated that this bill may be close in terms of equalization, but in terms of funding will need a lot of work before it can be passed out of Committee.

Dr. Nordtvedt stated that he is opposing this bill as a taxpayer and not necessarily for the administration. Dr. Nordtvedt stated that this bill is a slap in the face to the taxpayers of Montana. He stated that this bill holds the taxpayers in contempt in a fundamental sense that the government has allowed the special interest to write this legislation. Dr. Nordtvedt stated that there is massive use of one time revenues that will not be there on a ongoing basis and a surtax that is used for more than one years of revenue to use for one year of the Foundation Program.

Questions From Committee Members: Rep. Peck asked Sen. Mazurek to clarify what he means by the \$150 million in the black hole? Sen. Mazurek replied that if the bill is taken as it is currently drafted the hole will be the result of using two years surcharge which is around \$22 million and using two years of Coal Tax diversions for a total of \$9 million. If the retirement is phased in that will be an additional total of \$19.2 million.

Rep. Cobb asked Sen. Nathe if there will be \$100 million more in funding for FY 1992 not just for general government, but for the Foundation Program? Sen. Nathe stated that when the Legislators come back in 1991, the Legislature will probably

be looking at sales tax or property tax reform, etc., to come up with a compromise bill to get this funded. Sen. Nathe stated that in the first year of the biennium this bill would be \$150,000 short of balancing; In FY 1992 it will be \$53.4 million short; In FY 1993 it will be \$65.5 million short and in FY 1994, it will be \$86.9 million short of balancing, but Sen. Nathe reminded him that the Legislature will have met twice by the time that retirement is fully funded. Sen. Nathe stated that the problem with the retirement is the \$53 million that the Legislature will need to come up with in a short matter of time.

Chairman Schye asked Sen. Nathe to explain the "flat tax" on the resource? Sen. Nathe stated that Sen. Gage has worked on this problem for 6 years on the net proceeds which is a tax on minerals, oil and gas principally and metal and non metal mines. Sen. Nathe stated that the net proceeds tax is a property tax that varies from high school district to high school district depending on the millage in the high school district. He stated that with it being a net tax there are deductions allowed. The oil industry has been in conflict with the Dept. of Revenue concerning what was deductible and what was not. The taxes that the industries paid on a oil well in one high school district and another oil industry with an oil well in another high school district the tax was not uniform and depended upon the taxable valuation in the total of the high school district and the number of mills levied against it. He gave two reason why the net proceeds was a difficult tax: 1) To administer, and 2) it was not a stable tax for the industry. Sen. Gage in Senate Taxation took the gross value of oil and the total amount of taxes paid and came up with this affective tax rate; Oil is 8.4 percent of the gross value of the oil; Coal is 5 percent and Natural gas at 15.9 percent. Sen. Gage developed a formula to collect tax on the gross which is called the "Local government Severance Tax" and is collected by the state of Montana.

Chairman Schye asked Sen. Nathe what kind of dollars are "we" talking about, e.g. how much of an increase for coal or decrease for oil? Sen. Nathe stated it will be revenue neutral and the counties will receive what they did in 1989. Sen. Nathe stated that Sen. Gage had used 1989 to develop the ratio of what the schools will receive and what the counties will receive out of the total number of mills levied in each county, because when the mandatory millage is increased some of the low millage counties will change so Sen. Gage used this formula to move into the flat rate.

Rep. Wallin asked Sen. Nathe how many State dollars are spent statewide now and how much will the schools have under this restructuring plan? Sen. Nathe replied that this bill will cost about \$114 million; \$500,000 for telecommunications and about \$349,000 for GAAP implementation to help the OPI, but he did not have an answer as to how much is being spent

Statewide at this time. Sen. Nathe stated that in FY 1988, the general fund comprehensive insurance was \$456 million and under this bill it is \$414 million plus \$33 million each year for special education or \$447 million. Rep. Wallin asked how much will the school districts have if raised at the local level now in comparison of what they will be raised on this bill? Sen. Nathe stated that it depends if they are all budgeted or nonbudgeted funds. The current budget funds is \$538 million Statewide and if nonbudgeted funds are used it will amount to \$620 million.

Rep. Grinde asked Sen. Nathe what this bill would do to his 10-12 rural schools in Fergus County that have 10, 12 or 16 students? Sen. Nathe stated that the schools in Fergus County will receive more money under this bill than they spent last year. Sen. Nathe stated that the reason Rep. Grinde noticed the mills going up in this bill is that a lot of those schools were operating under the Foundation Program and were not voted any mills.

Closing by Sponsor: Sen. Nathe stated that if this bill goes through with the way it is written it will provide a lot of stability in the tax base for the oil, gas and coal industries. He stated that there will be some tax relief for certain parts of the State and some increases because of the 100 mandatory mills. Sen. Nathe stated that there will be some infusion of new money that will amount to about \$23 million. He stated that if the Committee does not like this bill to take Rep. Schye's HB 6, increase the schedules for the first year and take the \$24 million out of the Educational Trust and infuse it in the underfunded schools to pull them up to 90 percent of the 1988 schedules and go home.

Sen. Mazurek closed thanking the Committee for a good hearing. He stated that there is a need for revenue in this bill and he acknowledged that. He stated that this bill is balanced now and urged the Committee to give it serious consideration.

HEARING ON HOUSE BILL 61

Presentation and Opening Statement by Sponsor:

"AN ACT TO PROVIDE FOR K-12 SCHOOL DISTRICTS IN THE STATE BY REQUIRING THAT EACH HIGH SCHOOL DISTRICT UNIFY WITH THE ELEMENTARY DISTRICTS WITHIN THE HIGH SCHOOL DISTRICT BOUNDARIES; TO ELIMINATE CLASSES OF DISTRICTS; TO PROVIDE METHODS FOR ELECTING TRUSTEES OF UNIFIED DISTRICTS; TO ELIMINATE THE DESIGNATION OF COUNTY HIGH SCHOOLS; TO PROVIDE FOR PROTECTION OF EMPLOYEE CONTRACTS AND TEACHER TENURE RIGHTS UNDER UNIFICATION OF DISTRICTS; TO CONSOLIDATE THE BASIC COUNTY LEVIES UNDER ONE LEVY FOR UNIFIED DISTRICTS OF A COUNTY; TO GENERALLY REVISE THE LAWS

**RELATING TO DISTRICTS TO PROVIDE FOR UNIFIED SCHOOL DISTRICTS;
AND PROVIDING AN EFFECTIVE DATE".**

Rep. Simon, House District 91, opened stating that this bill is an approach to solve the equalization problems in a different fashion than the bills that have been dealt with up to now. He stated that this is a school unification bill and it does not mandate any closing of schools. Rep. Simon stated that there are over 100 schools in Montana that have 20 or less students and this bill combines those high school districts with the elementary districts so they become K-12.

Testifying Proponents and Who They Represent:

Phil Campbell, Individual taxpayer

Proponent Testimony:

Mr. Campbell stated that this bill is a long time overdue and urged the Committee's support.

Testifying Opponents and Who They Represent:

Bruce Moerer, Mt. School Board Assoc.
Don Waldren, Supt. of Missoula Schools
Eric Feaver, MEA
Glen Caniparoli, Supt. of Vaughn Schools
Kay McKenna, Lewis and Clark Co. Supt. of Schools
Claudette Morton, Exec. Sec. BPE
Rep. Spring, Representing HD 77, Belgrade, MT.

Opponent Testimony:

Mr. Moerer stated that the MSBA is in opposition of this bill. He stated that forcing consolidation is the wrong thing to do.

Mr. Waldren stated that he is not against studying this area and not against the local areas studying the consolidation as long as they have the ability and input to make the final decision to close the schools or not.

Mr. Feaver stated that the MEA is in opposition of HB 61. He stated that the schools cannot be made to mandate consolidation.

Mr. Canipolari stated that he is in opposition of this bill and urged the Committee to give this bill a do not pass recommendation.

Ms. McKenna stated that this is not a cost savings bill. She stated that she could see a cost with the teachers pay and an additional cost in payment for district clerks. She

stated that the representation from large school boards for the little people will be lost. Ms. McKenna stated that at the present time and already in place is coop buying, special ed coops, staff developing and development coops. She stated that the accreditation standards will combine K-12 anyway, and asked that it happen naturally.

Ms. Morton stated that this would be a hasty decision to make at this time and felt that it would be better to go with Rep. Stang's study bill and come back in 1991 to look at this bill.

Rep. Spring stated that he wanted to go on record in opposition to this piece of legislation.

Questions From Committee Members: None

Closing by Sponsor: Rep. Simon closed stating that this bill came out and was recommended by a study.

DISPOSITION OF HOUSE BILL 61

Motion: None

Discussion: Rep. Eudaily stated that there are some options in this bill that should be looked at as far as economy and accountability. He stated that the study that this bill has had already is not enough.

Amendments, Discussion, and Votes: None

Recommendation and Vote: Rep. Eudaily made the motion to table HB 61. Roll call vote was taken. The motion CARRIED 17/7 to TABLE HB 61.

DISPOSITION OF SENATE BILL 26

Motion: Rep. Darko made the motion to be concurred in.

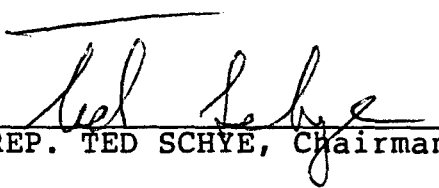
Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: The question was call. Roll call vote was taken. The motion CARRIED 15/9 to BE CONCURRED IN.

ADJOURNMENT

Adjournment At: 6:30 p.m.



REP. TED SCHYE, Chairman

TS/cj

040628.min

DAILY CALL VOTE

EDUCATION AND CULTURAL RESOURCES

COMMITTEE

DATE 6/28/89

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	Excuse		
REP. NELSON	Excuse		
REP. PECK	✓		
REP. PHILLIPS	✓		
REP. SIMPKINS	✓		
REP. SPRING, JR.	✓		
REP. STANG "SPOOK"	✓		
REP. THOMAS	✓		
REP. WALLIN	✓		
REP. WYATT	✓		
REP. ZOOK	✓		

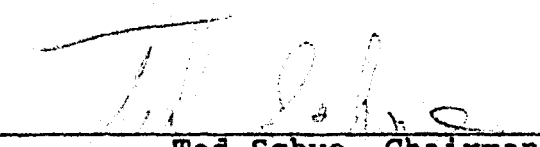
STANDING COMMITTEE REPORT

"A Joint Resolution Requesting an Interim Study
on the Restructuring of Montana's Public School Districts"

June 28, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Education and Cultural
Resources report that HOUSE JOINT RESOLUTION 1 (first reading
copy -- white) do pass.

Signed: 
Ted Schye, Chairman

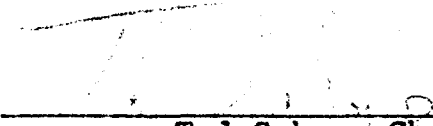
STANDING COMMITTEE REPORT

"An Act Creating a Joint Legislative Committee
on Accountability and Quality in Education"

June 28, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Education and Cultural
Resources report that SENATE BILL 16 (third reading copy --
blue) be concurred in .

Signed: 
Ted Schye, Chairman

[REP. EUDAILY WILL CARRY THIS BILL ON THE HOUSE FLOOR]

STANDING COMMITTEE REPORT
Senate Bill 26

"An Act to Generally Revise Public School Funding
and Related Taxation Law; to Eliminate the Present Permissive Levies;
and to Provide for Phased-In Equalization Aid"

June 28, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Education and Cultural
Resources report that SENATE BILL 26 (third reading copy --
blue) be concurred in .

Signed: Ted Schye
Ted Schye, Chairman

[REP. _____ WILL CARRY THIS BILL ON THE HOUSE FLOOR]

compensated and receive travel expenses as provided for in 2-15-124 for each day in attendance at board meetings or in the performance of any duty or service as a board member.

History: En. Sec. 6, Ch. 344, L. 1973; amd. Sec. 50, Ch. 439, L. 1975; R.C.M. 1947, 75-5614; amd. Sec. 6, Ch. 650, L. 1985.

20-2-114. Adoption of rules — seal — record of proceedings. The board of public education, the board of regents, and the state board of education each shall:

- (1) adopt rules consistent with the constitution or laws of the state of Montana necessary for its own government or the proper execution of the powers and duties conferred upon it by law;
- (2) adopt and use an official seal to authenticate its official acts; and
- (3) keep a record of its proceedings.

History: En. Sec. 8, Ch. 344, L. 1973; R.C.M. 1947, 75-5616.

Cross-References

Seals defined, 1-4-201.

Manner of making seal, 1-4-202.

Regents' rulemaking power exempt from Montana Administrative Procedure Act, 2-4-102.

Public records, Title 2, ch. 6.

Preservation of records, Title 22, ch. 3, part 2.

20-2-115. Rules with substantial financial impact — fiscal note — effect without funding. (1) When developing rules, policies, and standards under 20-2-121(6), (7), (9), and (11), the board of public education shall determine the financial impact of the rule, policy, or standard on school districts.

(2) The superintendent of public instruction shall prepare a fiscal note for submission to the board, using criteria and assumptions developed by the board. The fiscal note must be prepared within 30 days of a request unless the board agrees to a longer time. The board may also accept other testimony and exhibits on the financial impact to school districts before proceeding to rulemaking.

(3) If the financial impact of the proposed rule, policy, or standard is found by the board to be substantial, the board may not implement the rule until July 1 following the next regular legislative session and shall request the next legislature to fund implementation of the proposed rule, policy, or standard through the foundation program. A substantial financial impact is an amount that cannot be readily absorbed in the budget of an existing school district program.

(4) A proposed rule, policy, or standard not found by the board to have a substantial financial impact on school districts or funded by the legislature may be implemented at any time.

History: En. Sec. 1, Ch. 691, L. 1985; amd. Sec. 1, Ch. 395, L. 1987.

Compiler's Comments

1987 Amendment: In (1), after "shall", deleted "concurrently develop a fiscal note to"; in (2), in first sentence before "fiscal note", deleted "suggested", at end of first sentence, after "board", inserted "using criteria and assumptions developed by the board", and inserted second sentence; at end of (2) substituted "proceeding to rulemaking" for "completing a final fiscal note"; in (3), after "may not", substituted language

concerning implementation for "proceed to rulemaking"; and at end of (4) substituted "be implemented at any time" for "proceed to rulemaking".

Cross-References

Duties of Board of Public Education, Art. X, sec. 9, Mont. Const.

Economic impact statement, 2-4-405.

Foundation program, 20-9-303.

EXHIBIT
DATE 15 6/28/89 ST
HB 53 20-2-116 through 2

20-2-121. Board of public education

(1) effect an orderly specialist certification and employment by adopting

(2) consider the suspensions and appeals from accordance with the provisions of 20-

(3) administer and carry out accordance with the provisions of 20-

(4) adopt and enforce regulations for the design, construction with the provisions of 20-

(5) approve or disapprove a school day in accordance with the provisions of 20-

(6) adopt policies for school districts conducted on Saturday and approval procedure for 20-1-303 and 20-1-304;

(7) adopt standards of every school in accordance with the provisions of 20-7-201

(8) approve or disapprove the provisions of 20-7-201

(9) adopt policies for the provisions of 20-7-402

(10) adopt rules for completion of secondary education

(11) adopt policies for children in accordance with the provisions of 20-7-402

(12) adopt rules for students

(13) perform any other act of the legislature

History: En. 75-5607 by Sec. 1, Ch. 266, L. 1977; R.C.M. 598, L. 1979; amd. Sec. 1, Ch. 395, L. 1987.

Compiler's Comments

1987 Amendment: Inserted (12)

20-2-122. Executive staff. The board of public education

(1) appoint an executive legislatively authorized ap

(2) prescribe the term, (3) provide office space

History: En. 75-5607.2 by Sec. 1, Ch. 405, L. 1983.

Response
to the
LEGISLATIVE ADMINISTRATIVE CODES COMMITTEE
from the
BOARD OF PUBLIC EDUCATION
regarding
The Cost of the Accreditation Standards
June 19, 1989

On December 31, 1988, a letter was sent to the Senate and House Leadership and the chairpersons of the Appropriations and Finance & Claims Committee advising them that within the proposed accreditation standards, the Board of Public Education believed there were nine which had "substantial financial impact."* This was based on data collected by the Board from specific schools as well as a statistical study done by the Legislative Fiscal Analyst as part of HJR 16. Using this as a starting point for our discussion, presented herein are those nine rules as they were written in draft form when the LFA costed them out and which the Board used to determine which rules to include in its letter to the Legislature regarding the fiscal impact. Also included are the rules as they were eventually adopted. In almost every case you will note significant changes in the text, based on public testimony provided to the Board in its rule making process.

The Board does not believe that there is a fiscal impact to the learner goals, particularly since they were adopted as models for schools in their curriculum work.

The Board has chosen to implement the new accreditation standards with delayed effective dates, to give the schools time to plan for orderly change. It is also very much aware of the difficult decisions regarding school funding which the 1989 Legislature faces. None of the rules with significant cost take effect until after the 1991 session, and then they are spaced over a period of years until 2001.

The Board stands by its Report to the Fifty-First Legislature in Response to HJR 16. The Board worked extremely hard to comply with the mandates of HJR 16 and the requests of the two Legislative Committees which were a part of HJR 16. The Legislative Finance Committee was very firm in its requirements for a new set of standards to cost out in the time frame that the Board met. In the Board's Response on page 7, it made another commitment to the Legislature which we wish to reaffirm now. It is to address the issue of "articulation between the education policymakers and those responsible for balancing the budget." We stand ready to work with the Legislature to resolve this issue.

*Attached



Board of Public Education

December 31, 1988

Ex. #2
6/28/89 HB53
33 South Last Chance Gulch
Helena, Montana 59620-06
(406) 444-8576

BOARD MEMBERS

EX OFFICIO MEMBERS:

Ted Schwinden, Governor

Ed Argenbright, Superintendent
of Public Instruction

Carol Krause, Commissioner
of Higher Education

APPOINTED MEMBERS:

Alan Nicholson, Chairman
Helena

Arthur "Rocky" Schauer, Vice-Chairman
Libby

Ted Hazelbaker
Dillon

Anita Johnson
Lewistown

Sarah "Sally" Listerud
Wolf Point

Bill Thomas
Great Falls

Thomas A. Thompson
Heart Butte

Claudette Mori
Executive Secretary

The Honorable John Vincent
Speaker of the House
House of Representatives
State Capitol
Helena, MT 59620

Dear Representative Vincent:

At its December meeting, the Board of Public Education acted to comply with 20-2-115 MCA, which requires the Board to request the Legislature to fund implementation of rules with substantial financial impact through the Foundation Program. In an effort to err on the side of recognizing any fiscal impact to schools, the Board determined that certain rules in the proposed Accreditation Standards have substantial financial impact on some school districts in Montana. Those rules which the Board believes fit this category are:

- (Eff. 7/1/92) Rule III Curriculum Development and Assessment
- (Eff. 7/1/92) Rule IX, Parts 2-8, Assignment of District Superintendents
- (Eff. 7/1/92) Rule X, Part 2, Assignment of Building Administrators
- (Eff. 7/1/94) Rule XIV, Parts 2 & 3, Library/Media Services, K-12
- (Eff. 7/1/94) Rule XV, Part 2, Assignment of Guidance Staff
- (Eff. 7/1/92) Rule XVII, Parts of, Class Size: Elementary
- (Eff. 7/1/92) Rule XVIII, Parts of, Teacher Load & Class Size: High School, Junior High, Middle School and Grades 7 & 8 Budgeted at High School Rates
- (Eff. 7/1/91) Rule XXII Learner Access
- (Eff. 7/1/92) Rule XXVIII, Parts of, Basic Education Program Offerings: High School

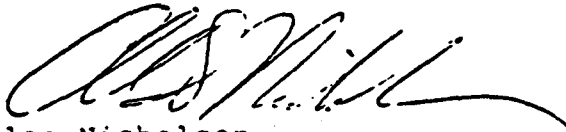
The proposed rules have been noticed up through the Administrative Rules Procedure and are currently proposed by the Board. The complete text of these proposed rules may be found in the Montana

Ex. 2
6/28/89 HB 3

Administrative Register #19, 10/13/88, or you may request a copy from our office. The Office of Public Instruction and the Legislative Fiscal Analyst both prepared fiscal notes on the proposed rules using the same base line data. This information, together with testimony from individual schools, was used by the Board in making the determination of substantial financial impact. Copies of the fiscal notes are available from the Office of Public Instruction, the Legislative Fiscal Analyst or the Board.

Pursuant to section 20-2-115(3) MCA, the Board of Public Education requests the Legislature to fund implementation of the rules identified above through the Foundation Program.

Sincerely,



Alan Nicholson
Chairperson

SAME LETTER SENT TO:

The Honorable Jack Galt
President of the Senate

The Honorable Francis Bardonoue, Chair
Appropriations Committee

cc: Office of Budget and Program Planning
Legislative Fiscal Analyst

The Honorable Pete Story, Chair
Finance and Claims Committee

The Honorable Ted Schye, Chair
Education and Cultural Resources Committee
House of Representatives

The Honorable Swede Hammond, Chair
Education Committee
Senate

Senate Education Committee
Recap of action taken June 23, 24, 1989, on SB 7 and SB 20

Motions

1. Mazurek - include 100% of 88 costs for insurance in FP schedule - unanimous
2. Pinsoneault - fund retirement outside FP, separate retirement fund, full costs reimbursed by state except discretionary retirement costs incurred by district for termination pay or lump sum deferred compensation to be funded with district permissive levy. Aye - 8, No - 1
3. Mazurek - provide 100% of 88 GF and insurance costs in the FP schedules except remove PL 874 support from the schedule base and don't include FY 90 increase in the base. Unanimous
4. Mazurek - Expenditure cap set at percentage of FP that is equivalent to 117% of average 88 expenditures, except districts above 117% of average in 88 are frozen at 88 level. Unanimous
5. Mazurek - As an alternative to freezing at level of 88 expenditures, freeze at the average of 88 and 89 expenditures. Unanimous
6. Brown - Adopt items 5, 8, 9, 12, 13, 14, and 16 of Nathe and Mazurek bills (as shown on bill comparison chart prepared by staff). Unanimous
7. Nathe - Adopt Cobb amendments to allow minimum cash reserve of \$10,000 and except consolidation bonus payment from cash reserve limit. Unanimous
8. Nathe - Coordinating instruction to remove appropriation for implementation of GAAP requirements if HB 16 (containing the same appropriation) passed. Unanimous
9. Pinsoneault - Continue 10% income surtax, but with statement of intent that it is not to be considered permanent source of funding for school equalization. Unanimous
10. Nathe - Lottery revenue diverted to state equalization aid. Unanimous
11. Mazurek - Adopt 75 mill county mandatory levy for equalization. Unanimous
12. Nathe - Divert coal tax revenue from parks to state equalization for 2 years. Unanimous
13. Nathe - Divert coal tax revenue from education trust fund to equalization for 2 years. Unanimous
(No motions made and agreement not to divert coal tax revenue from coal board and county planning, as proposed in Nathe bill.)

EXHIBIT 4
DATE 6/28/89
HB SB 26, SB 7
SB 20

A SUMMARY OF
SCHOOL FUNDING EQUALIZATION PROPOSALS
CONSIDERED BY THE SENATE EDUCATION COMMITTEE

JUNE 19, 1989 - SPECIAL SESSION

Prepared June 26, 1989

by

COMMITTEE STAFF

GLOSSARY OF ABBREVIATIONS USED IN CHART

ANB -- average number belonging

Bldg./debt -- district debt service, building fund, building
reserve

C.A. -- centrally assessed property

CPI -- Consumer Price Index

Elem. -- elementary schools

FP -- Foundation Program

FY -- school fiscal year (i.e., FY 91 = school fiscal year
beginning July 1, 1990)

GAAP -- Generally accepted accounting principles

GF -- school district general fund for operation and
maintenance

G.T.B. -- guaranteed tax base

H.S. -- high schools

I.T. -- income tax

M -- million

PERS - Public Employees' Retirement System

SS -- Social Security

Spec. ed. -- special education

Transp. -- transportation

TRS -- Teachers' Retirement System

UI -- unemployment insurance

\$ -- revenue

SB 26

~~LC-127~~

CURRENT

1. Mandatory county retirement levy for TRS, PERS, SS, UI; using lottery for equalization (25-mill ave.)

Retirement equalization phased in beginning FY 92, fully equalized by FY 94. County retirement levy eliminated July 1, '93. Retirement to be funded outside the FP, reimburse actual costs to the districts, except certain discretionary costs. Spec. ed. retirement not allowable cost for spec. ed. reimbursement

SB 7, MAZUREK

Separate fund. Eliminate levy. State aid to fund district's actual costs. Spec. ed. retirement as allowable cost

SB 20 NATHE

Retirement in GF, funded through FP schedule with deficiency levy for districts with retirement costs greater than 10% of FP schedule. Spec. ed. retirement as allowable cost

2. Allowable district levy for comprehensive insurance (5-mill ave.)

Eliminate levy. Insurance in GF & FP at 100% of '88 cost less PL 874 support. Effective FY 91

Eliminate levy. Insurance in GF. 100% of 1988 costs in FP schedule base

Eliminate levy. Insurance in GF. 90% of '88 costs in FP schedule base

3. FP schedule funding not based on actual costs of operating school. & increases by legislature (1% since FY 86)

FP schedules for FY 91 based on 100% of '88 GF & insurance expenditures, less spec. ed. and PL 874 support. FY 90 increase not in base

FP schedules for FY 91 based on: 90% of districts' 1988 GF (minus spec. ed. & PL 874) and insurance (minus PL 874) and 100% of retirement

CURRENTLC 127SB 20 NATHESB 7, MAZUREK

4. Mandatory 45-mill levy, collected at county (28 mills elem., 17 mills h.s.)

Collect 34 elem. & 21 H.S. mills at county, 45 mills at state for 100 mills total. Effective FY 91

Collect 46.67 elem. mills & 28.33 mills at county. Effective FY 91

5. Permissive levies for elem. (6 mills) & H.S. (4 mills) to fund 20% of schedules

Eliminate permissive levies. Effective FY 91

Eliminate permissive levy. Effective FY 91

6. No statutory expenditure limitations (except for I-105)

Maximum GF budget limited to 121% of FP (schedule amount plus spec. ed.). Districts with FY 88 GF & insurance over 121% of FY 91 FP are frozen. PL 874 exempt from cap

Maximum GF budget limited to 117% of schedules, spec. ed, & retirement. Districts with FY 88 GF, retirement, & insurance over 117% of FY 91 FP are frozen. PL 874 \$ excluded from cap. Exempt from I-105

Maximum GF budget limited to 130% of FP (schedule amount plus spec. ed). Districts with FY88 GF, retirement, & insurance budget over 130% of FY 91 FP are frozen; PL 874 \$ excluded from cap. Exempt from I-105

<u>CURRENT</u>		<u>LC 127</u>	<u>SB 7, MAZUREK</u>	<u>SB 20 NATHE</u>
7.	<u>State revenue sources earmarked for state equalization aid</u>	I.T. surtax continued (for equalization - no sunset), lottery to state equalization aid) coal tax proceeds diverted from ed. trust & parks effective FY 90, 91; increased allocation of \$4.4M personal I.T. and 45-mill state levy - effective FY 91	45-mill state levy and lottery to state equalization aid. Effective FY 91	I.T. surtax continued, lottery revenue, coal tax & interest reallocation. Effective FY 90
8.	<u>County equalization revenues received from basic levies, federal forest funds, Taylor Grazing, motor vehicle, misc.</u>	No change from current law except state equalization aid to offset tax delinquencies	No change from current law except state equalization aid to offset tax delinquencies	No change from current law except state equalization aid to offset tax delinquencies
9.	<u>PL 874 not counted as resource for equalization</u>	PL 874 excluded from GR budget cap & from cash reserve limit until equalization allowed - study	PL 874 excluded from cap until equalization allowed under federal law. Part of study	PL 874 excluded from cap until equalization allowed under federal law. Part of study

SB 20 NATHESB 7, MAZUREKLC 127CURRENT

10.	<u>General fund reserve limit of 35%; no penalty for exceeding limit</u>	Reserve limited to: 35% if no state aid; 30% if aid 1/4 or less of FP; 20% if aid over 1/4 of FP	Reserve limited to: to: 35% if no state aid; 30% if aid 1/4 or less of FP; 20% if aid over 1/4 of FP	Reserve limited to: 35% if no state aid; 30% if aid 1/4 or less of FP; 20% if aid over 1/4 of FP
11.	<u>FP structure & schedules based on school size</u>	No change in structure - no extra increase for some categories. Increased in FY 91 by 45.84% for elem.; 55.66% for H.S.	No change in structure. No extra increase for some categories. Increased by 51% for elem.; 60% for H.S.	No change in structure, except 9% increase for elem. over 300 ANB. Schedules increased by 44.57% for elem.; 52.85% for h.s.
12.	<u>Minimum 180 day school year with no maximum; no limit on days creates dis-equity in FP payments</u>	Funding for only 180 PI days, plus 7 PIR	Funding for only 180 PI days, plus 7 PIR	Funding for only 180 PI days, plus 7 PIR
13.	<u>Current state equalization aid payment schedule is 5 times per year</u>	20% state equalization aid in July, then 7% monthly.	20% state equalization aid in July, then 7% monthly	20% state equalization aid in July, then 7% monthly
14.	<u>Building/debt service not equalized</u>	Interim study of needs & methods of equalization	Interim study of needs & methods of equalization	Interim study of needs & methods of equalization

CURRENTLC 127SB 7, MAZUREKSB 20 NATHETransportation
program separate

No change in transp.
No additional equal-
ized funding this
biennium. Study.

State funds 100%
of transp.
schedules. No cap.
Interim study

State funds 100% of
transp. schedules.
Over-schedule amt.
capped at 1988 costs
unless OPI approval.
Interim study.
\$11.56 in bill

16. Special ed. part of
GF and FP; actual
costs not fully
funded; separate
accounting and OPI
oversight

State funds allow-
able costs for FY
90, 91. Spec. ed.
retirement not
allowable cost for
spec. ed.
reimbursement

State funds allow-
able costs for FY
90, 91, plus
retirement costs for
FY 91. \$4.3M in bill

CURRENT

17. Additional components

LC 127

Legislative oversight committee for studies & implementation (\$20,000); OPI adopt rules for GAAP accounting--training funds in bill. Increase bonus payments to enlarged districts. Telecommunications funding. Implementation funds for OPI. Flat tax for coal. Local government severance tax replaces net proceeds tax on oil & gas. Statutory appropriation of all revenue earmarked for equalization

SB 7, MAZUREK

Legislative oversight committee for studies and implementation (\$20,000); OPI adopt rules for GAAP accounting--training funds in bill. Increase bonus payments to enlarged districts. Telecommunications funding. Protested tax settlements exempt from reserve limits

SB 20 NATHE

Legislative oversight committee for studies and implementation (\$20,000); OPI adopt rules for GAAP accounting--training funds in bill. Increase bonus payments to enlarged districts. Telecommunications funding. Protested tax settlements exempt from reserve limits.

18. Phase-in

New plan effective for FY 91. Study effective July 1, 1989. OPI rules prior to FY 91

New plan effective for FY 91. Study effective July 1, 1989. OPI rules prior to FY 91.

New plan effective for FY 91. Study effective July 1, 1989. OPI rules prior to FY 91

M5024 9176DCHA

Education

BILL NO.

DATE _____

SPONSOR

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Education COMMITTEE

BILL NO. SB 26

DATE 6/28/89

SPONSOR _____

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

ROLL CALL VOTE

EDUCATION AND CULTURAL RESOURCES

COMMITTEE

DATE 6/28/89 BILL NO. HB 53 NUMBER _____

NAME	AYE	NAY
Rep. COCCHIARELLA	✓	
Rep. COBB	✓	
Rep. DARKO	✓	
Rep. DAVIS	✓	
Rep. EUDAILY	✓	
Rep. GERVAIS	✓	
Rep. GLASER		✓
Rep. GRINDE		✓
Rep. HARRINGTON	✓	
Rep. JOHNSON	✓	
Rep. KILPATRICK	✓	
Rep. KIMBERLEY	✓	
Rep. NELSON	Exc.	
Rep. PECK		✓
Rep. PHILLIPS		✓
Rep. SIMPKINS		✓
Rep. SPRING		✓
Rep. STANG	✓	
Rep. THOMAS	✓	
Rep. WALLIN		✓
Rep. WYATT	Exc.	
Rep. ZOOK		✓
CHAIRMAN SCHYE	✓	
VICE CHAIRMAN DAILY	✓	

TALLY

14 8

Claudia Johnson
SECRETARY

Red Schye
CHAIRMAN

MOTION: Rep. Stang made the motion
to TABLE HB 53 the motion
CARRIED 14/8.

ROLL CALL VOTE

EDUCATION AND CULTURAL RESOURCES

COMMITTEE

DATE 6/28/89 BILL NO. HB 61 NUMBER _____

NAME	AYE	NAY
Rep. COCCHIARELLA	✓	
Rep. COBB	✓	
Rep. DARKO	✓	
Rep. DAVIS	✓	
Rep. EUDAILY	✓	
Rep. GERVAIS	✓	
Rep. GLASER	✓	
Rep. GRINDE		✓
Rep. HARRINGTON	✓	
Rep. JOHNSON	✓	
Rep. KILPATRICK	✓	
Rep. KIMBERLEY	✓	
Rep. NELSON	✓	
Rep. PECK		✓
Rep. PHILLIPS		✓
Rep. SIMPKINS		✓
Rep. SPRING	✓	
Rep. STANG	✓	
Rep. THOMAS		✓
Rep. WALLIN		✓
Rep. WYATT		✓
Rep. ZOOK	✓	
CHAIRMAN SCHYE	✓	
VICE CHAIRMAN DAILY	✓	

TALLY

17 7

Claudia Wetmore
SECRETARY

Ed Schye
CHAIRMAN

MOTION: Rep. Eudaily Made the motion
to TABLE HB 61. The motion CARRIED
17/7

ROLL CALL VOTE

EDUCATION AND CULTURAL RESOURCES

COMMITTEE

DATE 6/28/89 BILL NO. SB26 NUMBER _____

NAME	AYE	NAY
Rep. COCCHIARELLA	✓	
Rep. COBB		✓
Rep. DARKO	✓	
Rep. DAVIS	✓	
Rep. EUDAILY	✓	
Rep. GERVAIS	✓	
Rep. GLASER		✓
Rep. GRINDE		✓
Rep. HARRINGTON	✓	
Rep. JOHNSON	✓	
Rep. KILPATRICK	✓	
Rep. KIMBERLEY	✓	
Rep. NELSON	✓	
Rep. PECK	✓	
Rep. PHILLIPS		✓
Rep. SIMPKINS		✓
Rep. SPRING		✓
Rep. STANG	✓	
Rep. THOMAS		✓
Rep. WALLIN		✓
Rep. WYATT	✓	
Rep. ZOOK		✓
CHAIRMAN SCHYE	✓	
VICE CHAIRMAN DAILY	✓	

TALLY

15 9

Columbia Johnson
SECRETARY

Ed Schye
CHAIRMAN

MOTION: Rep. Darko motioned that SB26
BE CONCURRED IN. The Motion
CARRIED 15/9.