

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON EDUCATION & CULTURAL RESOURCES

Call to Order: By Chairman Ted Schye, on March 12, 1991, at 3:00 p.m.

ROLL CALL

Members Present:

Ted Schye, Chairman (D)
Ervin Davis, Vice-Chairman (D)
Steve Benedict (R)
Ernest Bergsagel (R)
Robert Clark (R)
Vicki Cocchiarella (D)
Alvin Ellis, Jr. (R)
Gary Feland (R)
Gary Forrester (D)
Floyd "Bob" Gervais (D)
H.S. "Sonny" Hanson (R)
Dan Harrington (D)
Tom Kilpatrick (D)
Scott McCulloch (D)
Richard Simpkins (R)
Barry "Spook" Stang (D)
Norm Wallin (R)
Diana Wyatt (D)

Members Excused: Rep. Fred "Fritz" Daily and Rep. Bea McCarthy

Staff Present: Eddy McClure, Legislative Council
Dianne McKittrick, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: CHAIRMAN SCHYE announced that REP. JIM RICE, sponsor of HB 960, requested the bill not be heard since it contained many of the same provisions in SB 82. Proponents and opponents would be allowed to enter testimony into the record.

HEARING ON HB 792

Presentation and Opening Statement by Sponsor:

REPRESENTATIVE ED DOLEZAL, House District 34, Great Falls, said HB 792 addresses the issue of pay equity in dealing with public

school teachers and teachers at the Montana School for the Deaf and Blind, (MSDB), in Great Falls. The teachers at the MSDB perform a vital service to their local community as well as communities around the state, dealing with a very special group of handicapped children. They work long hours, under very difficult conditions and face a salary difference of approximately 18.1% in comparison to their public school peers. REP. DOLEZAL distributed information documenting salary discrepancy. EXHIBIT 1

Proponents' Testimony:

Terry Minow, Montana Federation of Teachers, (MFT), presented written testimony. EXHIBIT 2

Bill Prickett, Superintendent, Montana School for the Deaf and Blind, (MSDB), presented written testimony. EXHIBIT 3

Harriett Meloy, President, Montana School for the Deaf and Blind Foundation Board, presented written testimony. EXHIBIT 4

Wayne Buchanan, Board of Public Education, said the Legislature exploits the teachers at the MSDB on the basis of their dedication and specialization. They have a great love for their students and dedicate their lives to teaching these special children. If they desire to live in Montana and practice their area of education, the MSDB is one of the few places they can teach. They are also exploited on the basis of their small numbers since they have little political clout and depend on the goodwill of the Legislature. The Legislature needs to take a good look at what is happening to the teachers and staff at MSDB and correct this very unfair situation.

Paulette Aanrud, Great Falls, presented written testimony. EXHIBIT 5

Sandy Ritchie, preschool teacher, MSDB, presented written testimony. EXHIBIT 6

Connie Donovan, Great Falls, said as a parent of a hearing impaired child enrolled at MSDB she feels her daughter deserves the best teachers available in order to become a productive and independent adult. This cannot be accomplished unless the teachers receive fair compensation as professionals.

Gina Rogers, teacher, MSDB, presented written testimony. EXHIBIT 7

Brenda LeMieux, teacher, MSDB, presented written testimony. EXHIBIT 8

Eric Feaver, Montana Education Association, (MEA), stated support for HB 792.

Opponents' Testimony: None

Questions From Committee Members:

REP. SIMPKINS asked Wayne Buchanan how long the MSDB has been assigned to the Board of Public Education. Mr. Buchanan said he did not know. REP. SIMPKINS asked if consideration has been given to including this pay issue at MSDB in the unified budget for schools instead of the state pay plan. Mr. Buchanan said that is currently being considered.

Closing by Sponsor: REP. DOLEZAL thanked the committee for the hearing and presented written testimony from Steve Gettel, a teacher at MSDB. EXHIBIT 9 He stressed this is a select group of teachers who deal with a very important part of our society on a daily basis.

HEARING ON HB 960

Proponents' Testimony: None

Opponents' Testimony:

Gary Steuerwald, Chief Financial Officer, Billings Public Schools, said the problem with HB 960 is two-fold. First, the bill requires mandatory transportation of students who fall into the definition of a hazardous area, which is already provided for in current statute. School districts can provide transportation at their own expense should they desire. Secondly, the most objectional part of HB 960 is that the definition of "hazardous" is too broad and mandatory transportation gives school districts no option. School districts have already addressed the problem by either transporting at their own expense or hiring crossing guards. Crossing guards are substantially less expensive than busing. The Billings Public Schools would be faced with approximately \$1,032,000 to bus additional students under HB 960. This legislation places a mandatory requirement on districts that doesn't seem to be necessary.

Earl B. Lamb, Assistant Superintendent for Business, Great Falls, said Great Falls students are already bused if they live closer than the three miles required by state law. For example, students are not allowed to cross 10th Avenue South, one of the busiest streets in the state. There is a tremendous number of calls from people who want their children bused for a variety of reasons. If this broad definition is not narrowed, a nightmare will result in trying to accommodate a multitude of requests.

HEARING ON SB 143

Presentation and Opening Statement by Sponsor:

SENATOR CECIL WEEDING, Senate District 14, Jordan, said SB 143 would allow the Board of Public Education to permit a school

district to conduct less than 180 days of pupil instruction per year if an equivalent is provided. Rural schools that are not served by bus and parents who provide transportation may wish to put in a slightly longer day, thereby cutting an entire day of travel out of the school week. Some school district expenses may also be lowered.

Proponents' Testimony:

Wayne Buchanan, Board of Public Education, said the Board voted to support this concept because it gives school districts added flexibility. The measure would still have to be approved by local school districts and that plan would be submitted to the Board of Public Education for its final approval.

Kay McKenna, Montana Association of County School Superintendents, (MACSS), stated support and said this legislation is in line with the new accreditation standards.

Opponents' Testimony: None

Questions From Committee Members:

CHAIRMAN SCHYE asked SEN. WEEDING if any studies have been done as to the optimum amount of time kids can sit in school and retain information. SEN. WEEDING said the state of Colorado did extensive research and concluded that a four day week didn't detract from overall achievement. In fact, the four day students outscored those attending five. The kids are excited about the extra day off and get their work finished in enthusiastic fashion.

REP. SIMPKINS asked Wayne Buchanan if students should be attending more days in order to better compete in the world market as presented in testimony by Rep. Toole, or attending as suggested in this bill. Mr. Buchanan said this bill guarantees students will spend the same number of hours in classroom attendance. There won't be any difference in contact hours. If school districts can provide for those hours under a different configuration there should be no problem as far as the Board is concerned.

Closing by Sponsor:

SEN. WEEDING thanked the committee for the hearing and said while providing flexibility to districts, SB 143 also provides the equivalent of the 180 day instruction period.

HEARING ON 940

Presentation and Opening Statement by Sponsor:

REPRESENTATIVE DAVID WANZENRIED, House District 7, Kalispell, said the purpose of HB 940 is to provide reliable cash flow for

the Foundation Program. This ensures that districts will receive the full revenue anticipated from the 55 mill equalization levy. Currently, districts are guaranteed full revenue but frequently have to wait a long time to receive the full revenue because of protested and delinquent taxes. Sometimes districts are delayed in getting the money up to nine months after the school year begins. HB 940 proposes getting the money to districts earlier by providing it up front through the issuance of bonds. The concept of arbitrage allows the borrowing of money by the state at a tax exempt rate and the investing of the money at market rate, which is on average two points higher. Montana is a tax exempt entity so when the bonds are sold to finance expenditures they can be sold at the tax exempt rate. For example, borrowing 50 million dollars would raise the state General Fund approximately one million dollars per year while providing school districts the money up front. The net impact would be the school districts receive the money earlier and invest at the county level, with the interest earnings going into school budgets.

Proponents' Testimony:

REP. RAY PECK, House District 15, Havre, said this concept was presented to the Education Subcommittee consisting of himself, Reps. Kadas and Grinde, Sens. Hammond, Jergeson, and Bianchi. The members of the committee all reacted with great skepticism, but eventually became convinced this could make a significant amount of money. This legislation will simplify the handling of the funds, benefit local districts by giving them their full funding earlier and improve the management and processing of the Foundation Program funds.

Greg Groepper, Office of Public Instruction, (OPI), said this legislation will save a great deal of paperwork. It is very confusing to be constantly increasing and decreasing school district Foundation Program funds in the current year to adjust for prior years. Work could be saved at both the county and state level if the districts are advanced the anticipated revenue from the 55 mills. The treasurer could pay back the advance when the revenue is actually received, but could always count on the money up front. Depending on the interest rate, school districts could receive up to 3.4 million dollars of additional money in interest earnings. Mr. Groepper distributed information from the Department of Administration. EXHIBIT 10 There is nothing in the bill changing the state's influence over county superintendents or treasurers and there is no intent to change the handling of protested taxes for prior years. Mr. Groepper presented an amendment. EXHIBIT 11

Mr. Groepper also said Ivan Small of the Indian Impact Schools and the Montana School Boards Association wished him to express their support for the bill.

Eric Feaver, Montana Education Association, (MEA), said this is sensible legislation, a work saver, a money maker for both state

and local school districts, and deserves positive consideration.

Earl B. Lamb, Assistant Superintendent for Business, Great Falls, said HB 940 will produce fewer entries in bookkeeping and make it easier for districts to lower some of their reserves.

Gary Steuerwald, Billings Public Schools, said this is a good bill since it generates revenue and takes away some of the guess about what money the schools will receive. This concept earns revenue for the General Fund and also earns interest that is applied to the permissive levy, giving relief to the guaranteed tax base.

Cliff Roesner, Chief Financial Officer and Clerk, Helena, said many school districts found themselves with low mill levies as a result of I-105 and used their reserves over the succeeding years to continue or maintain their budgets. This legislation will definitely take the "guess work" out of the budgeting process since schools will know what to expect.

Opponents' Testimony:

Kay McKenna, Montana Association of County School Superintendents, (MACSS), presented written testimony. EXHIBIT 12.

Susan Spurgeon, Fergus County Treasurer, stated opposition saying why change a process that already works.

Informational Testimony:

Jim Gillett, Deputy Legislative Auditor, said the smoothing of cash flow and modifications to the cash distribution system would provide an opportunity to reduce the amount of communication and required reporting. It would also provide an opportunity for the treasurers and county superintendents to provide quality reporting on a timely basis. There would be a substantial improvement in the system as it exists today.

Questions From Committee Members:

REP. HANSON asked **REP. WANZENRIED** if the state would risk its ability to borrow money by increasing its loans. Would this be a detriment to Montana's financial worth in the financial community? **REP. WANZENRIED** said he did not believe it would.

REP. ELLIS asked **Kay McKenna** to explain the purpose of school district reserves. **Ms. McKenna** answered the reserves are to pay expenses the first part of the year so there is money available before tax collection. **REP. ELLIS** asked assuming this plan works as smoothly as the proponents expect would the reserves be needed? **Ms. McKenna** said the reserves are down considerably due to the cap and percentage. Currently school districts are depending on Foundation payments to make up that differential

before tax collection. REP. ELLIS commented then this might allow districts to work their reserves down to nothing and spend the money without really taxing anybody. Is that correct? Ms. McKenna said yes, and that would not be wise.

REP. SIMPKINS asked Kay McKenna if the reserves are to take care of cash flow problems back and forth in a type of "rags to riches" manner. Ms. McKenna said yes. REP. SIMPKINS said HB 28 set up a consistent payment schedule with a favorable cash flow system. The Legislature also passed a law allowing schools to borrow from the cash anticipation account maintained by the Board of Investments if they didn't have sufficient reserves. Is that correct? Ms. McKenna said yes, there is a program that allows school districts to borrow money. REP. SIMPKINS asked is the ideal financial solution for the schools to build up their individual cash reserves to take care of cash flow problems on the local level rather than on the state level. Ms. McKenna said yes, this is a local problem and should be handled on the local level.

REP. COCCHIARELLA asked Greg Groepper where the interest earnings would be used. Mr. Groepper said interest earned through arbitrage is deposited in the General Fund. If it is earned at the local level it is deposited and credited to the school district or credited to the 55 mill account.

REP. BENEDICT asked Greg Groepper if the cost of bond counsel has been figured into the earnings. Mr. Groepper said the cost of the bond counsel and issuance of the bonds of approximately \$40,000 is figured into the document from the Department of Administration.

REP. STANG asked Greg Groepper assuming the protested taxes carry on for another four years who receives the interest for the protested taxes on the 55 mills. Mr. Groepper said currently the money is paid to the county treasurer under protest. The treasurer must put the money into a protested account by law and the prevailing party is entitled to the interest rate. For example, if in five years a protest is settled in favor of the county taxpayer, the treasurer would look back at the mills levied in 1990. The money would be distributed to all taxing jurisdictions on which the property resides.

REP. STANG said suppose the arbitrage concept works and the Appropriations Committee spends the money earned on some other program. If all of a sudden OPI doesn't have the money to give back to the districts where will the money come from? Mr. Groepper said the state Foundation Program is a statutory appropriation so whatever the schedule obligations are in law the state is obligated to pay.

REP. WALLIN asked Greg Groepper how long the bonds would be tied to this program. Mr. Groepper said these tax revenue anticipation notes are governed very strictly by federal

regulation. The longest they could be out is 12 months. The best the state could do would be to sell the bonds July 1st and retire them June 30th the following year.

Closing by Sponsor:

REP. WANZENRIED said thanks for focussing attention to this very important matter. The folks who co-sponsored this bill are those who don't spend money wildly, people who have to be convinced, worked hard all their lives and know the value of a dollar. They were skeptical to begin with but after working through the numbers are convinced this is a good conceptual approach to provide funding. He stressed that the interest earned on the arbitrage won't go into the Office of Public Instruction's budget.

HEARING ON SB 82

Presentation and Opening Statement by Sponsor:

SENATOR FRED VAN VALKENBURG, Senate District 30, Missoula, said SB 82 is a product of the HB 28 oversight committee that worked on the issue of further equalizing school spending. This bill will be the first step towards equalization of transportation funding. Under the current system there is a maze that doesn't work well, wherein the OPI cannot provide accurate data. This bill provides a system where the state would provide 1/2 of the funding of the scheduled transportation costs and the other half would come from a county wide levy. In addition, the 2/3 payment of Special Education costs would go to 100% which would be consistent with its other funding. The bill requires the OPI to study this issue over the interim and return to the 1993 Legislature with the collected data.

Proponents' Testimony:

Greg Groepper, Office of Public Instruction, (OPI), said this bill stabilizes funding and makes sure elementary and high school districts raise their money for scheduled transportation. The state will pay 50% of on scheduled costs and the county, through a county levy, will pay the other 50%. He presented an amendment that directs the OPI to examine the cost of transportation and make a recommendation to the 1993 Legislature about how to further adjust transportation schedules to improve equalization. EXHIBIT 13 It is hard to achieve equalization when you don't know the costs from district to district.

Pat Melby, Underfunded School Coalition, said SB 82 is a step in the right direction.

Wayne Buchanan, Board of Public Education, said the three components of equalization are covered by the Foundation Program, capital outlay, and transportation. This bill is a definite step in the right direction.

HOUSE EDUCATION & CULTURAL RESOURCES COMMITTEE

March 12, 1991

Page 9 of 9

Opponents' Testimony: None

Questions From Committee Members:

REP. STANG asked Pat Melby if this concept uses the guaranteed tax base to determine the split of the money. Mr. Melby said no, the guaranteed tax base will not be used until the data is collected and reviewed.

REP. SIMPKINS asked Wayne Buchanan if this correlates with the time table the Board of Public Education established to finally equalize funding for schools. Mr. Buchanan answered he didn't know if the Board has a specific time table to address the issue.

Closing by Sponsor:

SEN. VAN VALKENBURG thanked the committee and urged a favorable vote on the bill.

EXECUTIVE ACTION ON SB 120

Motion: REP. MCCULLOCH moved SB 120 BE CONCURRED IN.

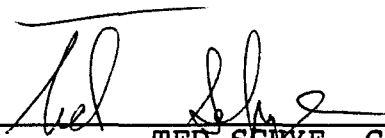
Discussion: REP. SIMPKINS said he opposed the bill because it establishes another string of appeals that could result in a great deal of money for school districts.

REP. FORRESTER said Sen. Bob Brown received the Montana School Boards Association's "Friend of Education Award" and would not sponsor legislation that would hurt education.


Vote: Motion CARRIED 14 to 6. EXHIBIT 14

ADJOURNMENT

Adjournment: 6.00 p.m.



TED SCHYE, Chair



DIANNE MCKITTRICK, Secretary

TS/dMcK

ED031291.HM1

HOUSE OF REPRESENTATIVES

EDUCATION AND CULTURAL RESOURCES COMMITTEE

ROLL CALL

DATE 3-12-91

NAME	PRESENT	ABSENT	EXCUSED
REP. TED SCHYE, CHAIRMAN	✓		
REP. ERVIN DAVIS, VICE-CHAIRMAN	✓		
REP. STEVE BENEDICT	✓		
REP. ERNEST BERGSAGEL	✓		
REP. ROBERT CLARK	✓		
REP. VICKI COCCHIARELLA	✓		
REP. FRED "FRITZ" DAILY			✓
REP. ALVIN ELLIS, JR.	✓		
REP. GARY FELAND	✓		
REP. GARY FORRESTER	✓		
REP. FLOYD "BOB" GERVAIS	✓		
REP. H.S. "SONNY" HANSON	✓		
REP. DAN HARRINGTON	✓		
REP. TOM KILPATRICK	✓		
REP. BEA MCCARTHY			✓
REP. SCOTT MCCULLOCH	✓		
REP. RICHARD SIMPKINS	✓		
REP. BARRY "SPOOK" STANG	✓		
REP. NORM WALLIN	✓		
REP. DIANA WYATT	✓		

*James
McBride*

HOUSE STANDING COMMITTEE REPORT

March 14, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Education and Cultural Resources report that Senate Bill 120 (third reading copy -- blue) be concurred in.

Signed: *Ted Schye*
Ted Schye, Chairman

Carried by: Rep. *Bob McHenry*

EXHIBIT #1
DATE 3-12-91
HB 792

MSDB SALARY COMPARISON

25-Jan-91

MONTANA SCHOOL FOR THE DEAF AND BLIND
SALARY COMPARISON
SCHOOL FOR DEAF AND BLIND VS GREAT FALLS PUBLIC SCHOOLS
FISCAL 1991

LAST NAME	FIRST NAME	MSDB SALARY	G/S	GFPS SALARY	G/S	DIFFERENCE	BENEFITS	TOTAL
BOESPFLUG	, PAMELA	\$20,697.00	4/2	\$23,303.00	4/6	\$2,606.00	\$430.22	\$3,036.22
BRASCH	, MARILYN	21,435.00	7/2	29,785.00	7/10	8,350.00	1,378.50	9,728.50
FURDELL	, LANA	11,082.00	3/5	11,599.00	3/7	517.00	85.35	602.35
GARMAN	, TERESA	17,970.00	1/1	18,790.00	1/1	820.00	135.37	955.37
GETTEL	, STEVEN	20,603.00	5/2	25,009.00	5/7	4,406.00	727.39	5,133.39
GETTEN	, NANCY	21,466.00	3/4	27,765.00	3/13	6,299.00	1,039.90	7,338.90
GOENNER	, JANE	23,080.00	5/5	25,884.00	5/8	2,804.00	462.91	3,266.91
GUTSCHENRITTER	, CHRISTINE	18,134.00	6/2	22,137.39	6/5	4,003.39	660.92	4,664.31
HIPPE	, FLO ELLEN	27,269.00	3/10*	30,238.00	C/I*	2,969.00	490.15	3,459.15
JOHNSON	, KATHLEEN	12,927.00	5/3	14,480.40	5/6	1,553.40	256.45	1,809.85
KELLY	, JIM	20,232.00	4/2	24,126.00	4/7	3,894.00	642.86	4,536.86
KNUTH	, DEBRA	22,023.00	2/6	26,557.00	2/13	4,534.00	748.52	5,282.52
LEE	, MAEONA	20,072.00	1/4	24,615.00	1/12	4,543.00	750.00	5,293.00
LEMIEUX	, BRENDA	19,522.00	4/1	20,837.00	4/1	1,315.00	217.09	1,532.09
LEMIEUX	, ROBERT	33,655.00	5/12*	33,655.00	5/15	0.00	0.00	0.00
MCMANUS	, GARY	25,185.00	4/8	30,704.00	5/15	5,519.00	911.13	6,430.13
MCRAE	, LAURIE	19,587.00	1/2	26,786.68	1/9	7,199.68	1,188.59	8,388.27
PRITTING	, EMILY	17,970.00	1/1	18,790.00	1/1	820.00	135.37	955.37
RITCHIE	, SANDRA	27,318.00	6/9	33,424.00	6/15	6,106.00	1,008.04	7,114.04
ROGERS	, GINA	25,939.00	3/10	29,097.00	C/I*	3,158.00	521.35	3,679.35
SCHWABE	, KIM	20,939.00	3/2	26,056.22	3/9	5,117.22	844.80	5,962.02
STUCKEY	, PAMELA	22,416.00	7/3	29,785.00	7/10	7,369.00	1,216.55	8,585.55
SUMMERSILLE	, KAREN	19,365.00	3/2	25,481.00	3/10	5,616.00	927.15	6,543.15
VAN TICHEM	, BETTY	27,269.00	3/10*	30,238.00	C/I*	2,969.00	490.15	3,459.15
WALTERS	, KAY	23,824.00	3/7	29,097.00	C/I*	5,273.00	870.52	6,143.52
ZHANG	, FUXIANG	24,853.00	7/6	26,820.00	7/7	1,967.00	324.73	2,291.73
KRUMVIEDA	, SHARON	12,304.00	0/0	14,545.11	0/0	2,241.11	346.63	2,587.74
MEIR	, KATHERINE	13,245.00	0/0	15,657.51	0/0	2,412.51	373.14	2,785.65
MOORE	, SHERRY	13,245.00	0/0	15,657.51	0/0	2,412.51	373.14	2,785.65
QUIGLEY	, MELANIE	10,899.00	0/0	12,884.20	0/0	1,985.20	307.05	2,292.25
TORGERSON	, ELIZABETH	10,899.00	0/0	12,884.20	0/0	1,985.20	307.05	2,292.25
VANTICHEM	, SANDRA	10,899.00	0/0	12,884.20	0/0	1,985.20	307.05	2,292.25
WOITH	, BARBARA	12,304.00	0/0	14,545.11	0/0	2,241.11	346.63	2,587.74
SUBTOTAL						\$114,990.51	\$18,824.74	\$133,815.25

*RECEIVE CAREER INCREMENTS (CI).

792

LAST NAME	FIRST NAME	MSDB		GFPS		DIFFERENCE	BENEFITS	TOTAL
		SALARY	G/S	SALARY	G/S			
BATEMAN	, ERNIE	24,927.00	0/0	25,945.54	0/0	\$1,018.54	\$163.15	\$1,186.69
BISCHOFF	, FRED	29,864.00	0/0	32,363.68	0/0	2,499.68	412.67	2,912.35
CORWIN	, ROBERT	20,398.00	0/0	25,945.54	0/0	5,547.54	858.04	6,405.53
GILLIS	, BARBARA	32,714.00	0/0	33,737.11	0/0	1,023.11	168.90	1,192.01
GREENLEE	, HELEN	23,162.00	0/0	30,067.95	0/0	6,905.95	1,068.14	7,974.09
SLONAKER	, DENNIS	27,114.00	0/0	35,230.70	0/0	8,116.70	1,339.99	9,456.69
SUBTOTAL						\$25,111.51	\$4,015.89	\$29,127.41
DAVIS	, BILL	36,000.00	0/0	42,557.21	0/0	\$6,557.21	\$1,082.53	\$7,639.75
FREEL	, JUDY	30,000.00	0/0	35,464.35	0/0	5,464.35	902.11	6,366.45
GEBO	, RICHARD	34,856.00	0/0	41,204.84	0/0	6,348.84	1,048.13	7,396.97
MAGSTADT	, JULIA	22,800.00	0/0	26,952.90	0/0	4,152.90	642.33	4,795.23
MCARTHUR	, DIANE	30,000.00	0/0	35,464.35	0/0	5,464.35	902.11	6,366.45
PRICKETT	, BILL	51,794.00	0/0	61,228.01	0/0	9,434.01	1,557.46	10,991.47
REAVLEY	, SUSAN	30,000.00	0/0	35,464.35	0/0	5,464.35	845.17	6,309.52
SYKES	, BILL	34,500.00	0/0	40,784.00	0/0	6,284.00	971.95	7,255.94
WYATT	, DIANE	30,996.00	0/0	36,641.76	0/0	5,645.76	932.06	6,577.82
SUBTOTAL						\$54,315.76	\$8,883.84	\$63,699.61
TOTAL						\$194,917.79	\$31,724.48	\$226,642.27
*RECEIVE CAREER INCREMENTS (CI).								



MONTANA FEDERATION OF TEACHERS

AMERICAN FEDERATION OF TEACHERS, AFL-CIO

Box 1246

Helena, Montana 59624

(406) 442-2123

Jim McGarvey
President

TESTIMONY OF TERRY MINOW, LEGISLATIVE COORDINATOR, GIVEN BEFORE
HOUSE EDUCATION COMMITTEE, IN SUPPORT OF HB 792, MARCH 12, 1991

The Montana Federation of Teachers is in strong support of HB 792, the bill to provide the appropriation necessary to fund pay equity for teachers and other professionals at the Montana School for the Deaf and Blind.

Teachers at the School for the Deaf and Blind are paid, on the average, more than \$4000 a year less than their counterparts in the Great Falls school system. At the same time, teachers employed by the School for the Deaf and Blind must have specialized training, training that is not available in the state of Montana.

As a result, MSDB is competing for teachers in a national, rather than a statewide, job market. It is a testament to their dedication to the school and the students that many of these teachers have remained at MSDB for years. However, it is crucial that we address the pay discrepancy now. Every year it becomes more expensive--and every year it becomes more tempting to teachers at MSDB to walk across the street to the Great Falls school system and receive a better salary.

A few words on the history of this bill. We passed a very watered down version of this bill in the 1987 session. In the 1989 session we proposed an equity amendment to the pay plan bill which failed by one vote on the floor of the Senate.

Other teachers who work for the state of Montana, those in the Department of Institutions and Department of Family Services, received a three step increase on their pay plan last legislative session. Teachers at MSDB received the \$560 a year all other state employees received.

The problem of inadequate wages for professionals at MSDB is not going away--it is becoming more severe every legislative session. The problem is not going to be fixed by anything short of an infusion of dollars.

We ask that you support the teachers and administration of the Montana School for the Deaf and Blind in their chosen profession of assisting the deaf and blind students of Montana in their quest to become well-educated, gainfully employed members of our society. A vote for HB 792 is a vote for an important investment in quality education.

Democracy in Education — Education for Democracy

EXHIBIT #3
DATE 3-12-91
HB 792

MONTANA SCHOOL FOR
THE DEAF AND THE BLIND



STATE OF MONTANA

3911 CENTRAL AVENUE

GREAT FALLS, MONTANA 59401

(406) 453 1401
VOICE/TDD

STAN STEPHENS, GOVERNOR

BILL PRICKETT, SUPERINTENDENT

HB 792
TESTIMONY OF BILL PRICKETT
SUPERINTENDENT, M.S.D.B.

I consider HB 792 to be an "Excellence in Education" bill for the Montana School for the Deaf and the Blind. This bill will make it easier for the school to recruit qualified, trained teachers and to retain these teachers on the school staff during their prime years. This translates into improved services for the children we serve.

The problem we have with recruiting stems from:

1. there are no university teacher training programs in Montana training and producing teachers of the deaf or teachers of the blind. This means the school must recruit teachers from outside Montana and we must compete with all the other states.
2. teaching children with sensory handicaps requires specialized training and education. To ensure that teachers we hire have successfully completed this specialized training, we require that our teachers be certified as teachers of the deaf or teachers of the blind. This certification is not available from the Office of Public Instruction here in Montana (Montana only offers a generic special education endorsement on a basic teaching certificate); this specialized certification is only available in other states. When a teacher graduates from a specialized teacher training program and receives this nationally recognized certification as a teacher of the deaf or a teacher of the blind, they are recruited by schools located in every state in the union. The salary schedule currently in place at M.S.D.B. puts us at a tremendous disadvantage when competing with other states.

Example: it took us 2 years to fill a vacancy in our blind department. For 2 years straight I sent advertisements to every college and university program training these teachers, and to every other school for the blind in the U.S. The first year we received no applications. The second year we received one

SUMMARY AND ACCREDITATION RECOMMENDATIONS

A team from the Conference of Educational Administrators Serving the Deaf (CEASD) visited the Montana School for the Deaf and the Blind on January 21, 22, 23 and 24, 1990. The team members included:

Dr. Gary L. Holman, Superintendent
Washington State School for the Deaf

Mr. Tom Bannister, President
Alabama Institute for Deaf and Blind

Mr. G. I. Wilson, Director
Oregon School for the Deaf

The team members wish to express their appreciation to Superintendent, Luther B. Prickett, and the staff for the hospitality and the cooperation they were given. In addition, the visiting team would like to thank the students and their parents for the warm welcome they received.

The team members visited all of the departments where interviews were held with as many staff members, students, parents and others as time permitted. Observations of classroom teaching, the food service program, the residential program and recreational activities were included in the activities of the visiting team.

After reviewing the services offered to the students, the site team members shared their observations with the Superintendent. This report is a written summary of the findings of the site visitors. The report is written with a narrative description of the activities observed in each department, followed by comments which are written in two sections--Commendations and Recommendations.

At the conclusion of the interview process, the team members conducted a comprehensive review of the programs. The consensus of the team members has resulted in the recommendation that the Montana School for the Deaf and the Blind be granted Provisional Accreditation. At the end of three years the Chair of the visiting team should be invited back to review the progress the MSDB staff has made on the following:

1. The employment of one staff person to assist in the supervision of staff and to direct the development of a school-wide curriculum.

2. The development of a five year plan for staff development for all school employees and to show evidence that the plan is being implemented.
3. The securing of funds to bring the MSDB teachers' salaries into a comparable level with teachers of similar training and experience who are employed by the Great Falls Public School System.
4. The development of MSDB operating policies and showing evidence that the policies are known by staff members and are being enforced.
5. The MSDB staff develops a plan to promote deaf awareness and serve as an example for the state.

March 12, 1991

EXHIBIT # 4

DATE 3-12-91

HB 792

TESTIMONY IN SUPPORT OF HB 792 BEFORE THE HOUSE
EDUCATION COMMITTEE

My name is Harriett Meloy. I live in Helena at 1317 Ninth Ave.

At this time I am president of the Montana School for the Deaf and Blind Foundation board. I have been a member of the Foundation since its inception in 1986. Previously I was a member of the Montana Board of Public Education from 1970 to 1985.

The point of the biographical sketch is to underscore that a number of us in education have believed in and worked for the concept of HB 792 for quite a long time.

It doesn't seem fair that MSDB special education personnel should be treated differently from teachers in the public schools just because they are employed by the state in a school where the students are residents. Adjustment of this discrepancy needs your special attention now.

The main point to consider is that MSDB personnel have the same professional obligation as public school teachers. They must be specially trained. Because they are expected to hold professional certification as either a teacher of the deaf or a teacher of the blind, they must travel out of state to be qualified for this training because Montana does not offer such preparation.

On a related topic, although in-service training funding is not included in HB 792, I would like to mention in passing that no inservice training is provided by the state for MSDB personnel, even though upgrading of a teacher's skills is as important as the original preparation.

Concerning pay scale differentiation, you have figures in front of you, but may I reiterate that the discrepancy ranges from about \$1,000 per year for an entry-level teacher up to as much as \$10,000 per year for a highly qualified and experienced teacher. Naturally, under the circumstances, problems of recruitment and retention arise.

Please decide that 1991 is the year to act on correcting a long-time inequity.

Thank you.

Good Afternoon - My name is Paulette Aanrud. My husband and I live in Great Falls. We have 3 children, 2 of which graduated from public school systems and continued on to post secondary education. Our third child, Tami Jo, is deaf and has been a student at the School for the Deaf and Blind since she was 2 1/2 years old. She has the intellectual abilities to graduate from a 4 year college. That is her goal and that is our vision for her future. What does it take to see that fulfilled?

In reflecting back and trying to determine how I would present the need I see here, I decided to relate personal experiences in trying to educate Tami Jo. Starting at home when we decided that we had to teach Tami Jo "differently" than taught our other two children. We spent hours trying to teach her how to communicate just her needs. At the expense of my other children's attention we plugged along. It didn't take long for us to determine the need to seek help from professionals, someone who knew what to do. We were fortunate to be able to look at schooling for her in areas outside of Montana, but after comparing them to MSDB and the caliber of education there was no question. We took T.J. for an evaluation. At the end of a week, under the right method of instruction, Tami Jo had learned more than we were able to teach her in months.

A few years ago I was employed at MSDB as education secretary. I saw parents with children who had started in public school and had not succeeded, bring their children to MSDB with a sign of relief.

Our daughter is now attending classes at Great Falls High School part-time. I pride myself in the fact that I can communicate with her through sign language. We communicate feelings and thoughts and converse, but when I try to help tutor her, it ends up being a great frustration to both of us. It takes a special presentation of materials for her to learn. It takes someone who has a background in deaf culture, education and specialized training. It takes a teacher who has had to go to college to receive a bachelors degree in education and certification in deafness that can only be obtained out-of-state. The same is expected of the teacher for the blind. After all of this we expect them to accept a lesser salary than the public school teacher that graduates with a bachelors degree and is teaching in our public schools.

These are professional teachers. They have to continue their education above a regular classroom teacher requirement and it doesn't stop there. The deaf children they are teaching are not problematic children they are children that have a need to be taught differently.

We have teachers nearing retirement, we have single teachers, we have teachers with husbands that may be transferred creating vacancies. Would you come to Montana as a specialized teacher of the deaf or blind knowing that the pay scale is below the public school teachers - I don't think so.

The only way we can continue to provide quality education at the School for the Deaf and the Blind is to compensate these teachers as they should be - at least give them equal pay to the rest of the education world.

That is my concern as a parent. The continuation of a quality education not only for my daughter who will be graduating and attending college in three years, but for the continued success of this school. Please give us your support by voting YES!

RR

EXHIBIT # 10
DATE 3-13-91
HB 792

RR

MSDB RR FEDERATION

AMERICAN FEDERATION OF TEACHERS
AFL-CIO

SCHOOL FOR THE DEAF AND THE BLIND

3911 CENTRAL AVENUE

GREAT FALLS, MONTANA

59401 (406) 453-1401

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4027

March 12, 1991

Mister Chairman, members of the committee:

My name is Sandy Ritchie. I am the preschool teacher in the deaf department and president of the Federation of Teachers local at the school. I have taught at M.S.D.B. for 17 years.

This is the 4th time we have come to the legislature with a bill for parity with the public schools. HB #792 would allow our salaries to become competitive. Our qualified, caring staff has received their training in deaf or blind education from colleges and universities in Washington, D.C., New York, North Dakota, Colorado, Oregon, and California to name but a few. Montana does not have training programs for teachers of deaf or blind children. We have counted on Mt. people or those who wish to become residents of our state for our staff. But these people have paid dearly for that decision. A starting teacher loses \$300 a year. After 15 years of teaching the difference is nearly \$5000. Those with more specialized training lose up to \$7000 per year.

We have a big problem.--This committee and the Montana legislature have the power to act as our school board and right this injustice. Vote YES on HB #792.

3-12-91
EXHIBIT 7 #
DATE 3-12-91
HB 792

Mr. Chairman and Members of the Committee,

My name is Gina Rogers and I am a teacher at the Montana State School for the Deaf and the Blind. I also have a deaf son who is enrolled as a freshman at M.S.D.B. As a student he requires teaching in a communication mode which is not utilized in Public Schools. My perspective comes from being both a parent and a teacher. I feel so strongly about what I am about to say that I am taking personal comp time to be here this afternoon. Statements have been made previously in regards to the necessity of out-of-state training and the non-competitive salaries offered by our state resulting in a relative inability to attract competent qualified teachers to replace those who resign or retire. My son and other Montana sons and daughters are worthy of and have the right to be taught by qualified teachers who understand their communication needs and their learning styles. They are worthy of receiving a top quality education preparing them for further training or a college education after graduation from M.S.D.B. As residents of the State of Montana our sons and daughters have the right to become productive self-supporting adults, able to make their contribution to society instead of soaking society for their adult needs—namely through S.S.I. (Social Security Income).

As a mother, I see the needs of my son and I am able to meet some of them in the home. As his teacher I am able to meet some of his academic needs in the classroom. We depend on other professionals who understand him and can function well in his communication mode to meet the remainder of his needs. The State of Montana has an obligation to provide a quality education to its deaf or blind sons and daughters. They are worthy of properly paid, qualified teachers and para professionals who are doing the job of producing independent adults. I am in my 20th year of teaching at M.S.D.B. I am entering the final third of my teaching career. For years now my salary has been several thousands of dollars per year behind the comparable teaching position within the Great Falls Public Schools. Over the long haul this lack of parity has greatly affected my prospective retirement income through Teachers' Retirement. I am certified also to teach in regular elementary school and special education. So why haven't I done that and gone for the "bigger bucks?" I have two main reasons why.

1. That's not where my heart is - my heart and first love are where I've chosen to be - at M.S.D.B.

2. My husband has financially provided

the way for me to do my heart's desire. He is a Public School teacher - 5th grade. Because of him I have been able financially to remain at M.S.D.B. This is not right! This is not just! What about the other teachers that need a surviving salary. What about single heads of households. What about our male teachers trying to support families. Do not our M.S.D.B. students have the right to be taught by both men and women and to have both male and female role models? Our salaries need to be competitive to draw the excellence needed in teaching our children - to draw proper role models. We teachers at M.S.D.B. are worthy of parity with Public School teachers. We are doing the job of teaching and preparing our Montana hearing and visually impaired sons and daughters to become independent productive self-supporting - and I emphasize self-supporting adults. Please support HB 792 providing parity with Great Falls Public School teachers. As the L'oreal and Oatmeal commercials say "We are worth it" and "it is the right thing to do."

Thank you very much.

Gina Rogers

EXHIBIT #8
DATE 3-12-91
HB 792

March 12, 1991

To: Mr. Chairman and members of the committee:

My name is Brenda LeMieux. I am in my second year of teaching at the Montana School for the Deaf and the Blind. As a fact, the Montana School for the Deaf and the Blind salary schedule is not attractive enough to lure and retain special trained teachers, teachers trained specially to work with the deaf and the blind students of Montana.

My concern is that the disparity in the Montana School for the Deaf and the Blind salary schedule creates an impacted demoralization among the high qualified and dedicated teachers. For these professionals are being demanded to acquire extended and specialized trainings in order to help the Montana School for the Deaf and the Blind to maintain the school accreditation.

The removal of disparity will resolve the problems of recruiting high qualified teachers and maintaining the school accreditation and reducing the overload necessary in order to rudimently instruct the deaf and the blind children.

Please give your full consideration and support to House Bill 792 to develop a salary system that is at least on a parity to the local school district but actually should be high due to the fact that teachers of the deaf especially must be bilingual and have special additional training.

Thank you,

TO: House Committee on Education
and Cultural Resources

Date: March 7, 1991

FROM: Steven J. Gettel
Great Falls, Montana

RE: Testimony in support
of House Bill 792

Mr. Chairman, members of the committee, for the record my name is Steven Gettel and I live in Great Falls, Montana. I am presently a teacher at the Montana School for the Deaf and the Blind; a position I have held for six years. I graduated from Montana State University in 1980 and I received the degree of Master of Education at Lewis and Clark College in Portland, Oregon in 1981. I have professional certification from the Council on Education of the Deaf and have also taken numerous courses at the University of Montana, Northern Montana College, the College of Great Falls and Gallaudet University in Washington, D.C. to maintain my teacher certification and to enhance my abilities as a teacher of deaf children. I consider myself a dedicated and talented professional teacher in every respect having spent the past 13 years working to achieve this career goal.

MSDB is a special place; something that I discovered while serving an internship at the school in 1979. The students, parents, staff and administrators all help to make it a place where I like to go to work everyday. The credit for this must, in part, also go to the past and present members of the Joint Education Subcommittee, the Senate Finance and Claims Committee, the House Appropriations Committee and this, the House Education and Cultural Resources Committee. Though the past decade has been filled with difficult decisions because of Montana's sometimes bleak economy, you and your fellow legislators have recognized the special educational challenges that our state's deaf and blind students must face. Your actions have helped to sustain a solid core of educational programs for the students at MSDB. There are some unmet needs but together we can be proud of the job we have done for these children and we can look toward growth and improvement in the future.

It is true that I wouldn't be teaching at MSDB if I didn't want to. I receive more personal satisfaction teaching at MSDB than any other occupation I have tried or might want to try. After teaching at MSDB for three years and really loving the students, staff and work, I quit in 1985 to search for other employment that might be as enjoyable while providing a more equitable and progressive salary with which to support my family. During the next three years I tried two different occupations, both of which could have led to successful careers and much better pay. The fact that I have been back teaching at MSDB for the past 3 years is a testimony to this notion that there is truly something special about our school.

Teaching at MSDB is right for me and since I was hired back, I believe that I must be right for the school. I do not believe, however that I have to be satisfied with the pay I am receiving simply because I like my job. With my current level of education and experience I am

receiving \$4,406 less than my counterparts who teach for the Great Falls Public Schools. In fact my wife, who is a teacher in Great Falls, does not have a master of education degree and has one year less experience than myself but receives \$1,703 more in compensation. Using a state average composite figure, my peers across Montana receive an average of \$4,281 more than I. The members of this committee come from communities across the state where the citizens vote to support their local school districts. After this session of the legislature has ended you will go home and, sometime this spring, probably vote to support local levies which will, in part, pay the salaries of the people who teach your children and grandchildren.

It is interesting to note the salaries of my counterparts in the communities where some of the members of this committee are from. I didn't have a chance to check with all of your hometowns but here are the figures from the sampling that I did take. This year in Hamilton teachers with the same degree and years of experience will earn \$392 more than myself. In Missoula they will receive an additional \$6,455 and in Charlo an additional \$1,641. My peers in Red Lodge will receive \$3,503 more and in Billings they will earn an additional \$5,845. In Glasgow the salary difference for my counterparts is an increase of \$4,523 while in Bozeman earnings are an additional \$3,907. Though I could not get information from one of the eight school districts I sampled, figures from all of the others indicate that if I were teaching in your hometown I would be receiving a higher salary. In some cases it would be substantially higher.

MSDB has no community of citizens which we can call upon to support and provide funding for general program operations or salaries. From a functional standpoint, the members of this committee along with the entire legislature are our voting citizenry. Your action here establishes our "mill levy" and the availability of funds to provide quality programs for our children and equitable salaries for our contracted and professional staff and administrators. I ask that this committee act with the same reason and fairness that each of you, as individuals act, in granting equitable salaries to the teachers in your home communities. I ask that you vote to support equalized and fair salaries for the staff at MSDB. Please vote to recommend passage of House Bill-792.

EXHIBIT

#10

DEPARTMENT OF ADMINISTRATION
ACCOUNTING AND MANAGEMENT SUPPORT DIVISION

DATE

940

BY

3-12-91



STAN STEPHENS, GOVERNOR

MITCHELL BUILDING

STATE OF MONTANA

Accounting Bureau
Rm. 255 (406) 444-3032Management Support Bureau
Rm. 176 (406) 444-4644Helena, Montana
59620-0102

TO: Kathy Fabiano, Administrator
Centralized Services Division
Office of Public Instruction

FROM: Chuck Virag
Administrator

Chuck

DATE: January 31, 1991

SUBJECT: Arbitrage Earnings

As you requested I have prepared an analysis of the potential financial effects of changing the manner in which the county 55 mill levy is collected and distributed. The proposed change which is reflected in my analysis provides for the state's collection of this tax and the related distribution to the school districts. My analysis is based upon the following assumptions:

- 1) The timing and level of projected Fiscal Year 1991 General Fund receipts and disbursements are representative of Fiscal Years 1992 and 1993.
- 2) The timing and level of projected Fiscal Year 1991 Equalization Account receipts and disbursements are representative of Fiscal Years 1992 and 1993 assuming related current laws will also continue into the next biennium.
- 3) The county 55 mill levy will generate \$86 million in revenue. If these monies are deposited with the state, the state will receive equal payments of \$43 million in December and June, respectively. The analysis under this assumption includes a disbursement schedule for these monies developed by the Office of Public Instruction.
- 4) The current spread between the interest rate at which we can borrow and the rate at which we can invest will continue at 2 percent.
- 5) Debt issuance costs will remain at the Fiscal Year 1991 level.

EXHIBIT #10
DATE 9/40
HB 3-12-91

Memorandum to Kathy Fabiano
Page 2

- 6) The Internal Revenue Service's regulations regarding arbitrage will not become more restrictive in Fiscal Years 1992 and 1993. Currently the "safe harbor" provision provides that no arbitrage rebate is due pertaining to a debt issuance if the issuer achieves an actual cash deficit within six months of issuance of at least 90% of the par amount of the issue.

The following analysis reflects the potential arbitrage profit given the above assumptions:

Arbitrage Calculation

	<u>State Collects</u> <u>55 Mill Levy</u>	<u>State Does Not</u> <u>Collect 55 Mill Levy</u>
TRANS Issued:		
\$25 Mill. in October		
Arbitrage Interest		\$444,000
\$50 Mill. in July		
Arbitrage Interest	\$1,203,742	
Underwriter's Discount		
\$1.25/\$1,000	(\$ 62,500)	(\$31,250)
Costs of Issuance	<u>(\$ 40,000)</u>	<u>(\$40,000)</u>
Arbitrage Profit Earned	\$1,101,242	\$372,750

The analysis reflects that the potential arbitrage profit is significantly greater if the state receives and distributes the county 55 mill levy, given the assumptions noted above. I would like to express the following concerns regarding implementing a proposal that is based upon achieving an arbitrage profit:

- 1) The Internal Revenue Service (IRS) has shown a particular interest in restricting the ability of state and local governments to earn a profit through the issuance of tax free debt. It is very possible that the IRS will impose further restrictions in this area.
- 2) The spread between the interest rate at which we can borrow and the rate at which we can invest funds fluctuates. It is not safe to assume that we will always have a favorable 2% spread.

EXHIBIT

#10

DATE

3-12-91

HB

940

Memorandum to Kathy Fabiano
Page 3

- 3) A factor in the State of Montana's favorable bond rating is that we do not regularly issue short-term debt to cover cash deficits. The routine issuance of such debt to cover cash deficits would eliminate this favorable factor.

Please contact me if you have any questions regarding this analysis.

EXHIBIT #11
DATE 3-12-91
HB 940

AMENDMENT TO HB940

Amend HB940 as follows,

page 5, line 14 after (1)(b),
insert, "after the effective date of this act,"



H. Kay McKenna

Superintendent of Schools - Lewis & Clark County

EXHIBIT # 12
DATE 3-12-91
SB 143

316 N. Park, P.O. Box 1725
Helena, Montana 59624
Telephone 443-1010 ext. 343 or 344

Chairman Schye, members of the committee:

OPPOSITION TO HB 940

The County Superintendents of the State of Montana, and I've heard from almost all of them, are strongly opposed to HB 940. You will note that this organization is one of the very few educational organizations to take this stand. Why?

County Superintendents are not only concerned with education. They have another major responsibility. They are guardians of the county taxpayer's money and the money that belongs to school districts in their own individual counties. That separates them from the major portion of the educational community whose concerns are mainly state-wide funding.

INTENT OF THIS BILL

In lines 13-25 on page one of HB 940 it is stated that the intent of this bill is to pay school districts "up front" county equalization payments so that the districts do not have to wait for December and June tax collections for their money.

This is not the true intent of this bill and the Office of Public Instruction has been very clear about this. The intent of this bill is so that OPI can use anticipated tax collections to borrow money, invest this money, and use the difference (2%) to pay the salaries of their specialists.

PROTESTED AND DELINQUENT TAXES

Although we know that there are many millions of dollars outstanding throughout Montana in protested and delinquent taxes we also know that this cycle has been in place for many years. Therefore many of the taxes have already been released to school districts. At present I have found only three counties (Mineral, Powell, and Big Horn Counties) that do not pay 100% of county equalization. As proof of this you do not see a multitude of county folks here in support of this bill. That should tell you that this bill is unnecessary.

What about the counties where taxpayers pay the majority of their tax bill during the first half of the year- like Choteau Co. where the collection rate is 62%? They pay this money so that school districts can have the money during the first part of the year.

WHAT ARE THE 55 MILLS FOR?

The taxpayer pays these 55 mills to support their county schools. The State already receives 40 mills, now they want control of 55 more. I would not want to go home after this session and tell my voters



EXHIBIT #12
DATE 3-12-91
HB 143

that I gave away, to State control, 55 more mills. Taxpayers pay their tax bills in "good faith" so that school districts can use this money. This bill has no protection that if OPI's investment returns are not what they predict that they won't prorate county payments and use one county's tax collection to pay another's. The 55 mills are for the foundation program. Therefore any interest earned from these dollars should go to support the foundation program. Not to pay State salaries. That should be a State responsibility not a county's.

INVESTED EARNINGS

There is no way on earth that I can speak to you in the language of a CPA or someone who has a Master of Economics. I can only speak from a practical point of view.

The supporters of this bill tell you that the county can keep their money and invest it while the State is paying them monthly county equalization. That's receiving invested earnings on the same "pot of money" twice, once at the county level and again at the State level. I just don't know if this is good business.

This bill also has the counties cleaning out the money in these two accounts twice yearly. So that would find the State receiving not only the tax money but all invested earnings and all protested tax collections received. There would be no money left in these accounts. No money to reappropriate the next fiscal year as a safeguard to poor tax collections or the possible of not having received full payment from the State. I don't think that this is good business, either.

This bill doesn't speak to the cost of arbitrage. After speaking to 2 gentlemen from the Board of Investments I found that the cost of selling \$50,000,000 worth of notes is from 1.5 to 1.7% or 3/4 of a million dollars. If OPI expects to receive 2% of earnings who pays these costs? As the money invested lessens, due to payments made to the schools, what happens to the invested earnings?

HB 940 looks great on paper but I found out long ago there is no such thing as a "free lunch". I can't see that this bill will truly help the schools.

EXHIBIT # 13
DATE 3-12-91
~~HB~~ SB 82

Amendments to Senate Bill No. 82
Third Reading Copy (Blue)

For the House Committee on Education and Cultural Resources

Prepared by Eddye McClure
March 6, 1991

1. Page 38.

Following: line 9

Insert: "NEW SECTION. **Section 17. Coordination instruction.** If House Bill No. 580 is passed and approved and if it includes a section that amends 20-9-366, then [section 7 of this act], amending 20-9-366, is void."

Renumber: subsequent section

HOUSE OF REPRESENTATIVES

EDUCATION AND CULTURAL RESOURCES COMMITTEE

ROLL CALL VOTE

DATE 3-12-91 BILL NO. SB 120 NUMBER _____
 MOTION: Motion by Rep. McCulloch No Pass.
Motion Carried 14 aye, 6 no.

NAME	AYE	NO
REP. TED SCHYE, CHAIRMAN	✓	
REP. ERVIN DAVIS, VICE-CHAIRMAN	✓	
REP. STEVE BENEDICT	✓	
REP. ERNEST BERGSAGEL		✓
REP. ROBERT CLARK		✓
REP. VICKI COCCHIARELLA	✓	
REP. FRED "FRITZ" DAILY	✓	
REP. ALVIN ELLIS, JR.		✓
REP. GARY FELAND		✓
REP. GARY FORRESTER	✓	
REP. FLOYD "BOB" GERVAIS	✓	
REP. H.S. "SONNY" HANSON	✓	
REP. DAN HARRINGTON	✓	
REP. TOM KILPATRICK	✓	
REP. BEA MCCARTHY	✓	
REP. SCOTT MCCULLOCH	✓	
REP. RICHARD SIMPKINS		✓
REP. BARRY "SPOOK" STANG	✓	
REP. NORM WALLIN		✓
REP. DIANA WYATT	✓	
TOTAL	14	6

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

EDUCATION & CULTURAL RESOURCES

COMMITTEE

BILL NO. HB 792

DATE 3-12-91

SPONSOR(S) Dolezal

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Bill Davis 724-32 St. So. St. Falls	Montana School for the Deaf & Blind	X	
Bill Sykes MSDB	MSDB	X	
Gina Rogers 806-50th St. S. Great Falls	MSDB	X	
Brenda LeMieux (MSDB) 4612 Diana Dr. #8	MSDB	X	
Connie Donovan 1917 9th Ave S. Great Falls	MSDB	X	
Kaulette Conrad 615-40th St. S. St. Falls	MSDB	✓	
Sandy Ritchie 2100 8th Ave N St Falls	MSDB	✓	
Terry Minow	MSDB	✓	
Harriet McCoy	MSDB	✓	
Bill Priebe	MSDB	✓	
Brian Owen	MSDB	3	
Earl B. Jones	Great Falls Public School	X	

**PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.**

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

Education & Cultural Resources

COMMITTEE

BILL NO. HB 960

DATE 3-12-91

SPONSOR(S) Rice

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
LICK TRAILER	MONT SCHOOL TRANSPORTATION ASSOCIATION; PRIVATE CONTRACTORS		
GARY STEUERWALD	Billing Public Schools		X
Lay McKenna	MASS	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

EDUCATION & CULTURAL RESOURCES

COMMITTEE

BILL NO. SB 143

DATE 3-12-91

SPONSOR (S) Weeding

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BILL NO. HB 940

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<i>Jay McKenna</i>	MACSS		✓
<i>Eric J. Jurek</i>	MFL	<i>[Signature]</i>	
<i>Earl B. Smith</i>	<i>Great Falls P. Sch</i>	X	
GARY STEUERWALD	Billings Public Schools	X	
Terry Minow	MFT	X	
Susan Spurgeon	Fergus Co Treasurer		X

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COMMITTEE

BILL NO. SB 82

DATE 3-12-91

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Larry Fuschende	G F P S	✓	
Carl Traxler	Montana School Transportation Assoc. Private Contractors	✓	
Dorothy Traxler	Montana Eagle Forum	✓	
Lan McKenna	MACCS		✓
Ed Van Valkenburg	Senate Dist. 30	✓	
Pat Melby	Unleashed School Coalition	✓	
Earl B. Smith	West Falls Public Sch	✓	
GARY STEUERWALD	BILLINGS PUBLIC SCHOOLS	✓	

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