

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON EDUCATION

Call to Order: By SENATOR CHET BLAYLOCK, on January 16, 1991, at 1:00 P. M.

ROLL CALL

Members Present:

Chet Blaylock, Chairman (D)
Harry Fritz, Vice Chairman (D)
Robert Brown (R)
Bill Farrell (R)
H.W. Hammond (R)
Dennis Nathe (R)
Dick Pinsoneault (D)
Mignon Waterman (D)
Bill Yellowtail (D)

Staff Present: Eddy McClure (Legislative Council).

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

EXECUTIVE ACTION ON SB 29

Discussion:

SB 29 introduced by Senator Gerry Devlin was discussed.

Chairman Blaylock had asked Bruce Moerer, MSBA, to poll the people on his committee to find out where they stand on this bill which involves school boards primarily. There are eight members; four are against any legislation on the bill. They thought a trustee had a mandate from the public through election to establish priorities and also to finish out the cycle. They finally decided that they did not want to support the bill.

It was pointed out that Senator Devlin left the change of date

(July 1 or July 15) Chairman Blaylock said that the changing of the dates might present problems connected with election dates.

Questions From Committee Members:

Senator Pinsoneault asked if this might be a place where local control could work.

Bruce Moerer said that he didn't understand how you could have local discretion in something like this unless the board would decide each year when those newly elected trustees would take office. He said that it would be possible but there would be a lot of variations since there would be other newly elected officers in other departments. It might not be necessary for all to be uniform. He said that he could not give an answer. He wanted to point out that SB 29 does not change election dates.

Senator Blaylock said that he had asked the County Clerk and Recorder's Office to send staff persons but none were present. He said that he discussed the bill with Sue Bartlett who was County Clerk and Recorder for eight years and now works for the Senate. She indicated there might be problems in other areas such as irrigation districts, fire districts. She said if dates were changed, it might give voters five or six additional ballots to be considered and the committee should be aware of that.

Vote:

SB 29 had been tabled 1-14-91. The committee decided to leave it tabled for now.

EXECUTIVE ACTION ON SENATE BILL 17

Discussion;

Senator Blaylock called upon Eddye McClure who gave revised individual to SB 17. The first amendments presented by Dorie Nielson, OPI, are now in the form of 15 amendments by Legislative Council.

Senator Blaylock asked Dorie Nielson if she had anything to add to the amendments and she said no.

Senator Brown asked what the significance of 108% was on Page 34. Ms Nielson said that there were two places in statute where there could be an increase for enrollment: one is where it is planned in advance and one is where it must be considered after it happens. They are inconsistent in statute. One says that if is any increase over 6% and the other insinuates but doesn't state it so by using the figure of 106%, the two are made consistent with what happens when there is a plan.

When there is a plan for enrollment, it can only be ANB and a budget increase if the difference is more than 6%. If there were no plan, you would get all of it. If there were a one child increase, you could come in for an amendment and additional ANB money. She said right now there are two parts that are inconsistent. There is another section of the law with an

increase. They need to be consistent. The reason that it is shifted around is that the 106% is in the wrong place.

Senator Farrell asked for a grey bill to include amendments before the committee took any action.

Chairman Blaylock asked the committee to consider the amendments before looking at the final draft.

Vote:

SENATOR BROWN MOVED THAT AMENDMENTS 1-15.aa BE ADOPTED. The vote was unanimous. MOTION CARRIED.

Discussion:

Amendment No. 4 as offered by League of Cities and Towns was discussed by the committee. No representative was present from that organization.

Greg Groepper discussed the language of HB 28 with the committee. He said that the right way to hold tax increment districts harmless would have been a general fund appropriation to the tax increment districts instead of spending foundation money. Foundation program money is very specific about what you can spend it on. We presented how we saw the bill; how we have to calculate the payment and told the committee if they wanted something different, we would make a change.

Senator Nathe asked if the tax evaluation was frozen for funding purposes and when does the increased value come back to the school district. Greg Groepper answered that TIDs were authorized last session. The amount of time use to be ten years.

Pat Melby said that in conjunction with an urban renewal project; first, it has to be ascertained that the areas is in need of urban renewal.

Next, the city commission must establish the fact that a district can be financed along the same boundaries as the urban renewal district. Those are authorized for a period of ten years. Legislature allowed them to be extended for an additional two years. (1978)

The City commission has the option of using all or part of the increments for projects in the district. Balance of the money was passed into other districts such as a school district.

Senator Nathe asked if the Helena School District should see an increase in the amount of tax revenue if the tax increment district expired. Pat Melby said that he thought they would see an increase in mill levy.

Senator Blaylock said that he knew foundation money was strict

about how it could be spent and it was never contemplated that it would go into tax increment districts. Why can't we simply say no and go to the legislature and general fund so that no one could be held harmless rather than in this bill. Pat Melby said that he didn't have any problem with how the districts should be held harmless whether it is through the foundation program or through some type of general appropriation but he thought that the districts were formed and the bonds issued based on the status of the law and mill levy at the time.

Madeline Quinlan reminded committee that the amount being considered was a million dollar appropriation for the year either coming out of foundation or general fund money.

Senator Blaylock said that there was another possibility that he had suggested to Alex Hansen: We will hold all of those tax increments harmless that were started before July, 1989, and after that there would be no way for them to get into the foundation program. He is uneasy about continuing to take the money from the foundation program.

Greg Groepper said that regardless of how much money is in the foundation, they pay the schools an amount based on the number of students enrolled. He said that the law right now says that the schools must be paid this year and that the money must come out of foundation program. He thinks that there is a question as to whether that is a legal payment because HB 28 did not broaden the foundation program to say that TIDs are a legitimate thing that foundation money can be spent on so if this amendment is passed, there will need to be a change in the foundation program language. If this amendment passes because the bill is largely retroactively applicable, save the million dollars this year on the numbers that the LFA is projecting because this cost is built into their projection schedules. Also we are not certain how the governor has built in his projection and if this cost has been included.

The committee will discuss SB 17 at a later meeting.

ADJOURNMENT

Adjournment At: 1:00 P. M.


SENATOR CHET BLAYLOCK, Chairman

BETSY CLARK, Secretary

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