

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION**

JOINT SUBCOMMITTEE ON EDUCATION & CULTURAL RESOURCES

Call to Order: By Chairman Royal Johnson, on January 15, 1993,
at 11:00 a.m.

ROLL CALL

Members Present:

Rep. Royal Johnson, Chair (R)
Sen. Don Bianchi, Vice Chair (D)
Rep. Mike Kadas (D)
Sen. Dennis Nathe (R)
Rep. Ray Peck (D)
Sen. Chuck Swysgood (R)

Members Excused: none

Members Absent: none

Staff Present: Taryn Purdy, Legislative Fiscal Analyst
Skip Culver, Legislative Fiscal Analyst
Doug Schmitz, Office of Budget & Program Planning
Jacqueline Brehe, Committee Secretary

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

Committee Business Summary:

Hearing: NONE
Executive Action: OFFICE OF PUBLIC INSTRUCTION

EXECUTIVE ACTION ON OFFICE OF PUBLIC INSTRUCTION

Tape No. 1:A:000

REP. MIKE KADAS asked **Kathy Fabiano**, Office of Public Instruction, for the position of OPI in regard to the \$114,027 and \$108,300 of the general fund transfers current level differences which the subcommittee approved on 1/14/93. (See **EXHIBIT 2** of 1/14/93.) **Ms. Fabiano** replied that in her previous testimony she said OPI could make do without these general funds but they have requested a biennial appropriation which would give maximum flexibility when dealing with federal funds that are received on a federal rather than a state fiscal year. **REP. KADAS** asked how the executive mod on indirect costs on the next page of **EXHIBIT 2** affect this issue. **Ms. Fabiano** answered that on 1/14/93 the subcommittee approved the federal appropriations in Table B of the LFA budget. When these funds increase, the indirect costs associated with them increase and this mod allows

OPI to spend them.

Motion/Vote: REP. KADAS moved that the committee reconsider its action on the current level differences in the general fund transfers which the committee considered on 1/14/93. The motion CARRIED unanimously.

Motion/Vote: REP. KADAS moved to remove the executive level funding as it pertains to general fund transfers. The motion CARRIED unanimously.

Tape No 1:A:199

Motion/Vote: REP. KADAS moved that the indirect cost pool be a biennial appropriation. (See EXHIBIT 2 of 1/14/93.) The motion CARRIED unanimously.

Skip Culver, LFA, recapped the previous committee meeting regarding the removal of the federal FTEs and the federal funds associated with them. REP. KADAS added that the committee had dealt with all the general fund positions associated with both the COBB motion and the SWYSGOOD motion, and had also considered the non-general fund positions associated with the COBB motion. What was left to be considered were the non-general fund positions associated with the SWYSGOOD motion.

Tape No 1:A:278

Motion: REP. KADAS moved the reinstatement of all the non-general fund money associated with positions 35, 603, and 1572 which were eliminated by the COBB motion.

Discussion: In response to a question from CHAIRMAN ROYAL JOHNSON, REP. KADAS noted that the money will go back to the federal programs it was assigned to and that he was not restricting its use within those programs. In response to SEN. DON BIANCHI, Greg Groepper, OPI, said OPI could use these funds to transition some of the general fund employees anticipated to be cut this session in other legislative action. Those employees could continue to work by taking over responsibilities within these federal programs. Additionally, some of the tasks for the programs could be contracted out.

CHAIRMAN JOHNSON communicated the essence of a conversation he had with REP. JOHN COBB concerning the intent of his motion. REP. COBB said his intent was to lower the base and if the federal funds are reinstated even without the FTE's, this does not reduce the base. Mr. Groepper expressed concern about coming back to the committee later with a budget amendment if the federal government happens to increase funding in a program which the legislature had reduced. REP. RAY PECK agreed with Mr. Groepper that there could be a problem since by statute if funds are available for appropriation and they are not appropriated, a budget amendment cannot be used to obtain them later. He added that he felt if these federal funds were available for Montana children, they ought to be used.

Tape No. 1:A:555

Vote: The motion CARRIED 5 to 1 with SEN. CHUCK SWYSGOOD voting no.

SEN. SWYSGOOD expressed concern for what will happen to the federal funds that had been reinstated. He asked OBPP and the LFA to present to the committee at a later date the status of the federal grants associated with the federal funds which were just restored and the status of their use. He also wanted staff to identify any restrictions in the grants regarding their use by OPI.

CHAIRMAN JOHNSON directed staff to supply the information requested by SEN. SWYSGOOD. OPI agreed to help.

Motion: SEN. SWYSGOOD moved that federal funds which were restored in the last motion be directed back to the local school districts within the programs they represent wherever it is possible.

Discussion: Gail Gray, OPI, concurred saying that it was possible to get money back to the local level in all three of the programs that the restored federal funds were associated with. SEN. SWYSGOOD asked for clarification concerning Mr. Groepper's response that the these federal funds would be used to soften other spending cuts affecting personnel. Mr. Groepper said OPI's priority was to deliver services to the public according to the spirit of the federal grant. He said it may be possible for someone, who has had his workload reduced through a cut in another program, to pick up hours within the federal program which these restored funds are attached to.

Vote: The motion CARRIED 5 to 1 with REP. KADAS voting no.

Regarding executive budget modification on indirect cost pool (See EXHIBIT 2 of 1/14/93), REP. KADAS asked OPI how many FTEs were needed to oversee the additional federal funds. Mr. Groepper answered that there was no overseeing; this was a workload issue. The positions involved were two additional staff in word processing, one additional staff in the mail room and one additional administrative staff. He explained the added workload that necessitated the need for this increase.

Tape No. 1:A:195

Motion: REP. KADAS moved acceptance of the executive budget for the indirect cost pool of \$110,000 per year with one FTE administrator, 1.5 FTE word processor, and 0.5 FTE mail room.

Discussion: SEN. SWYSGOOD emphasized that with the financial crisis the state is facing, the legislature should not be increasing the number of FTEs. CHAIRMAN JOHNSON asked OPI for a reaction to the three FTE proposed in the motion. Mr. Groepper said OPI could live with it. REP. PECK asked how sick leave is

earned. Mr. Groepper replied vacation and sick leave was based on hours worked. Full time puts a cap on it. REP. PECK noted that insurance is only paid for those that are half-time or more.

Substitute Motion: REP. PECK moved acceptance of the executive budget for the indirect cost pool of \$110,000 per year with two FTE to be distributed as OPI sees fit.

Discussion: REP. KADAS supported the substitute motion and responded to SEN. SWYSGOOD's comments concerning the state's financial condition by saying that he felt the problem was the general fund and if the general fund could be affected in a positive way by the addition of employees, the legislature should take advantage of the efficiency. It is not the right framework to automatically vote down additional FTEs. SEN. SWYSGOOD responded that he is not looking at FTE increases as the major cause of the state's fiscal difficulties but at over spending as the major issue.

Vote: The substitute motion CARRIED 5 to 1 with SEN. SWYSGOOD voting no.

Mr. Culver presented the elected official budget modification concerning the curriculum specialist. (See EXHIBIT 2 of 1/14/93) REP. JOHNSON asked OPI to speak to the issue again. Ms. Gray answered that there was a twofold concern: 1. anxiety about the possibility of an audit exception or problem if the funds are not spent in the spirit of the federal grant; and 2. need for an early childhood specialist. No action was taken.

Mr. Culver presented the elected official budget modification for accreditation. No was action taken.

ADJOURNMENT

Adjournment: 12:00 noon



REP. ROYAL JOHNSON, Chair



JACQUELINE BREHE, Secretary

jb/

HOUSE OF REPRESENTATIVES

EDUCATION

SUB-COMMITTEE

ROLL CALL

DATE

1-15-93

NAME	PRESENT	ABSENT	EXCUSED
REP. ROYAL JOHNSON, CHAIRMAN	✓		
SEN. DON BIANCHI, VICE CHAIRMAN	✓		
REP. MIKE KADAS	✓		
SEN. DENNIS NATHE	✓		
REP. RAY PECK	✓		
SEN. CHUCK SWYSGOOD	✓		

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

EDUCATION

SUBCOMMITTEE

DATE

1-15-93

DEPARTMENT(S)

DIVISION

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NAME	REPRESENTING	
John Sam	OPI	
Nancy Cooper	OPI	
Julia Willey	OPI	
Rose Fisher	OPI	
Hugh Swynn	OPI	
Kathy Fabiano	OPI	

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