

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By REP. TOM ZOOK, on February 16, 1993, at 3:05 P.M.

ROLL CALL

Members Present:

Rep. Tom Zook, Chair (R)
Rep. Francis Bardanouve (D)
Rep. Ernest Bergsagel (R)
Rep. John Cobb (R)
Rep. Roger DeBruycker (R)
Rep. Marj Fisher (R)
Rep. John Johnson (D)
Rep. Royal Johnson (R)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. Red Menahan (D)
Rep. Linda Nelson (D)
Rep. Ray Peck (D)
Rep. Mary Lou Peterson (R)
Rep. Joe Quillici (D)
Rep. Dave Wanzenried (D)
Rep. Bill Wiseman (R)

Members Excused: Rep. Ed Grady

Members Absent: None

Staff Present: Terry Cohea, Legislative Fiscal Analyst
Mary Lou Schmitz, Committee Secretary

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

Committee Business Summary:

Hearing: None
Executive Action: HB 471, HB 428, HB 480, HB 373

EXECUTIVE ACTION ON HB 471

Motion: REP. COBB MOVED TO ADOPT THE AMENDMENTS

Discussion: REP. BARDANOUVE asked for a review of the amendments. REP. SIMPKINS said the amendments do one thing. There is a lot of concern that the legislature is going to reduce the schedules again and he wants to come up with a system that

speaks to equalization. He referred to the amendments, **EXHIBIT 1**, and said when you strike this out, after this period of time, there will be no more schedules. As such, as a commitment, this legislature must have a plan to take over the schedules with a new program.

REP. KADAS said in order to achieve equalization you are eliminating the only part of the system that is equalized. **REP. SIMPKINS** said they are simply stating, a whole new system has to be enacted. They have had these schedules for so many years and have no equalization. They need either a new plan or come in with new schedules. The second court case is coming up on the basis of challenging the authenticity of the schedules, challenging the very premise that we even have these schedules, based on school size, which so far can't be substantiated.

REP. BARDANOUVE asked, for this coming biennium will there not be any schedules? **REP. SIMPKINS** said this biennium the schedules have been reduced to compensate for the increase in students. Therefore, they have been reduced by \$18 million. The next biennium these schedules are gone unless the legislature specifically enacts the same schedules or a different set of schedules.

REP. WANZENRIED said the motivation then, effective FY 96, is to eliminate for the schools a system which is not equalized, by your observation. **REP. SIMPKINS** said no, the objective is to set a pattern for the school districts that will either have a new set of schedules or will enact in the next legislature the same schedules. There is no way, that he sees, that the schedules are equalized. **REP. WANZENRIED** asked, if they accept this as a good idea, and he's not sure it is, what are the schools going to be doing at this time two years from now to set their budgets? There won't be any program in place. Should they just assume we will have something as we have now? **REP. SIMPKINS** said they hope to be able to have a new system of funding our schools in place before this legislature adjourns. **REP. WANZENRIED** asked if it is a little premature to judge whether this legislature will, in fact, do something with the foundation program to further equalize it? **REP. SIMPKINS** said the proposal he is making here is to make sure the schools understand the legislature is not going to turn around and decrease their schedules next session. The purpose of this Bill is to decrease their schedules now.

REP. KADAS referred to **REP. SIMPKINS** statement that the schedules aren't equalized and asked if that is what he meant? **REP. SIMPKINS** said if the schedules are equalized, why are we in the second lawsuit? **REP. KADAS** said because the system is not equalized but the first lawsuit held the only thing that was equalized were the schedules. **REP. SIMPKINS** said the lawyers' explanation is they are suing us because there is no substantive evidence to show that there is equalization on how we select the schedules. That is the second lawsuit that is coming up. **REP. KADAS** said the second lawsuit questions the basis of the

schedules. That hasn't been tried. The first lawsuit, which we lost, essentially legitimizes the schedules. The schedules are the only thing we are doing right. **REP. SIMPKINS** said he has to go on the basis of why we are being sued the second time and the question is, can we justify the reasoning used in developing a school size for the schedules. **REP. KADAS** said he is not suggesting we would want to eliminate a major function of government based on the fact someone has filed a suit against us. **REP. SIMPKINS** said now they are arguing over whether we should be preventative or wait until the courts take their action. If you feel that the schedules can be used to equalize our school system under the current schedules, then fine. It doesn't seem practical when the next lawsuit is coming along and stating you haven't justified, especially with the smaller schools, exactly how did you establish the criteria that this was going to be your schedule?

REP. KADAS said the choice **REP. SIMPKINS** is asking the committee to choose from in terms of "what we present the court" is: A) a system that is being challenged but has not been held against in terms of the level of schedules or B) no system at all. Is that preventative? **REP. SIMPKINS** said he has yet to have seen a proposal on the change of the system that recommends we keep the schedules. **REP. KADAS** said he was always under the impression that we would be replacing the old schedules with something else and that's not the case here. **REP. SIMPKINS** said once we take the schedules out and have full freedom to initiate a Bill to put a whole new program in. All that's being said here is we're terminating the schedules at the end of the next biennium so therefore, our next step is to put in a whole new program that will pick it up during the second year of the biennium.

REP. PECK referred to **REP. SIMPKINS** and said he either mis-spoke or doesn't understand the foundation program. The schedules are equalized exactly as **REP. KADAS** said. If you want to doom this Bill, put these amendments in it, and **REP. KADAS** and I will go over to the Senate and make sure this Bill goes no further because it is idiotic. **REP. SIMPKINS** said he understands how **REP. PECK** feels about this but at the same time what he is saying to him and the other members of this committee is that we are not going to come up with a new plan on funding for the schools of the state of Montana that have been declared unconstitutional. **REP. PECK** said that is not what he said. **REP. SIMPKINS** referred to **REP. PECK's** statement that "if he does it his way, will go to the Senate and kill the Bill". **REP. SIMPKINS** said he simply is giving you a vehicle to encourage this legislature to come out with an equalization schedule that has not been accomplished in four years from any department. If we come up with a new system, the schedules will have to be cancelled anyway. All we're doing is trying to tell the schools we are going to develop a new system, work on it, here's the program they can go to and hope to have it in place in the second year of the biennium but will definitely work on a system to come in to allow the schools to know what they are going to be funding before we get out of this

legislative session. **REP. PECK** said, if you put this in place, as **REP. KADAS** pointed out to you, you do not have a schedule. **REP. SIMPKINS** asked **REP. PECK** if he is saying, the second year of this biennium we will not be able to fund schools on a new program or are you going to stick the second year of the biennium under the same old schedules we've had? **REP. PECK** said he is saying, once we get a proposal out of the Select Committee and it is presented to the 150 members of this legislature, they will all look at it from the standpoint of what it does to their districts and you may not get a majority vote in both houses. If you do get that the Governor may not sign it. If this amendment is put on, then you have nothing other than an assurance you will have a special session.

CHAIRMAN ZOOK asked if this terminates the schedules and we go on the proposal that has been worked on in the Legislative Auditor's office, isn't that a schedule in of itself? **REP. SIMPKINS** said it is equivalent of a schedule but is a new funding program without the various schedules so in order to implement that program you have to eliminate the schedules altogether and implant this whole new program. It is a new policy, a new effort the state will be establishing. The only thing you do is remove all 15 categories of schools and then establish 2 categories of schools which are high schools and elementary schools and fund them in accordance to a formula based on about 7 different factors. **CHAIRMAN ZOOK** said supposing that proposed plan is not accepted by the legislature, how do we fund our schools in the next biennium and how do they know in advance what they need to do to plan for the coming school year? **REP. SIMPKINS** said it is the next biennium if this Bill would be in place, so the schedules are good for two years of the next biennium. After that there are no schedules. So that is telling the school communities, as well as the legislature, if we fail to pass an overall plan this time we will have to act fast the next legislative session. He does not see a need for a special session.

REP. KADAS asked to re-state what he thinks is motivating **REP. SIMPKINS**. He wants to do this because if the committee passes this Bill, by eliminating the schedules, that will encourage the legislature to adopt a new system of funding that will be equalized. **REP. SIMPKINS** said that is not totally correct. It is one of the ideas he thinks this legislature should act on, of course, but is also telling the schools that we are not going to decrease the schedules on them, not going to play around with the schedules anymore, and are going to come in with a whole new program. **REP. KADAS** asked **REP. SIMPKINS** if he thinks the schools will feel more at ease, knowing we have eliminated the old structure and can't reduce it anymore than it already is, than having absolutely no new structure in place? **REP. SIMPKINS** said he thinks it will make the schools feel they have a part in trying to put pressure on the legislature in order to come up with a program that will do a better job for them. **REP. KADAS** said regarding the Bills that are down in the other committee

would it be possible to eliminate the old schedules in those Bills in the same Bill that you were implementing a new schedule? **REP. SIMPKINS** said it could probably be done. If we wanted to get that other Bill out, he would be for it. The schools could adopt that, get it going and get the \$18 million. **REP. KADAS** asked what \$18 million. **REP. SIMPKINS** said there is about \$37 million shortfall in the K-12 system. That was part of the \$99 million cut. **REP. KADAS** asked if he meant "the \$18 million" the first fiscal year of the target cuts? **REP. SIMPKINS** said that is correct.

REP. KADAS said, if doing this is going to help move us in the direction of getting a new equalized structure in place in the next biennium, why don't we do this for the second year of this biennium as well? Just eliminate the schedules for FY 1995 and wouldn't that encourage us to get the new structure through so would have it in place for FY 95? **REP. SIMPKINS** said he certainly can see his line of reasoning. This Bill does not address equalization, it just simply states we are going to cut out the schedules that are not equalized at the present time.

SPEAKER MERCER said there are a couple of basics: 1) There is a Select Committee dealing with equalization, trying to keep some burden off this committee; 2) With regard to these amendments, it is just a subordinate thing that it "puts our feet to the fire". The main rationale he had was he didn't want the legislature to come in with a deficit position, making promises in the law that we can't necessarily keep. It is his understanding that historically the schedules used to be passed just for the biennium. It was only in recent years that they have made the schedules apply to succeeding years. It is because we have in law right now, these schedules, we have a \$37 million deficit in the school equalization account. He is trying to get the legislature out of a situation where we come in with that deficit. This particular committee has been charged by the House of putting together a budget that meets these targets. One of the things you are going to have to do to meet the targets is to bring the schedules down. It seems to him it would be a lot better if the legislature came in saying what is the appropriate level to set the schedules at, based on the money we have and not have something fixed in law. There are no schools out there relying on schedules right now. He is very hopeful and committed that this whole discussion is moot and that we will pass an education reform act. But if we don't pass one then the message should be this: "The schedules are down 5% and next time when the legislature convenes it will have to determine at that time what the appropriate schedule level will be". If this amendment was in law, there would be no \$37 million deficit in K-12.

REP. PECK said the **SPEAKER's** proposed amendment says he has no confidence in the Select Committee. If he wants this amendment, put it in the Bill where we replace the current equalization program. **SPEAKER MERCER** said he just heard **REP. PECK** accuse someone of putting words in their mouth and now that is what he's

doing. To say that he does not have confidence in the Select Committee is close to ridiculous. He went out on a limb when everybody said "forget about school equalization" because it had no interest from school officials but he went ahead and appointed a Select Committee anyway. Now everybody is interested in it. He has a deep commitment to doing something with regard to school equalization. He has great hopes that this thing coming out of the Auditor's office will work. That is a totally different issue. This issue is about deficits. They have a school equalization system now and schedules that are in law. Historically, those schedules were just put in for the two years of the biennium. That was all they applied for. When the legislature came in the next time they would pass whatever the school funding level would be. What he is trying to do is eliminate this mandated deficit they might face. It is his understanding that because there are about 6,000 more students in Montana they have this \$37 million built-in deficit when they come in. Without regard to school equalization he is trying to get us into a situation where each time they come they look at their resources and then set up the school system that will best fit within those resources. There is no ill will aimed at anybody. He feels the schedules they have on the books right now are a false promise. He is trying to eliminate formula funding for the future and let each legislature make its own decision.

REP. PECK told **SPEAKER MERCER** he did not mean to offend him at all but is merely saying that this is not the way to go if he has confidence in the Select Committee. That is the new school equalization proposal. This is a proposal to abolish the current one. It seems to him that the two go together.

REP. KADAS said he is trying to understand the logic **SPEAKER MERCER** is doing. Does he want to eliminate how to face expenditures, the amount of money that goes to schools and start basing that on revenues in the foundation program? **SPEAKER MERCER** said no, that is not what he said. He does not want to have formula funding which binds future legislatures. If future legislatures have insufficient funds regardless of how they come about getting those, they can craft whatever schedules or school foundation program they think best suits that. He is trying to avoid built-in deficits, to try to prevent legislature from coming in with built-in deficits, things that require them to pay money under current law. This is one of those areas.

REP. KADAS said so then **SPEAKER MERCER** would be calculating next biennium's level of funding just based on what was spent this biennium. **SPEAKER MERCER** said that is correct. **REP. KADAS** asked what would happen in the case of the foundation program, in particular, which is heavily dependent upon resource taxes which fluctuate? **SPEAKER MERCER** said he would see the base next time would be the money they spent on schools in the previous session. If the school equalization account had a big deficit that is a different question, in his mind. Obviously, you would have to fill it in with general fund or find some other ear-marked

account to put in there or reduce the funding to schools. That would be the choice of that future legislature. But let them make the choice.

CHAIRMAN ZOOK asked **Dave Lewis**, Office of Budget Program and Planning, what would the situation be in the executive branch if, just supposing, an equalization Bill didn't go and had these amendments included so that two years from now when his office is preparing the budget, how would he go about addressing the schools in Montana? **Mr. Lewis** said it would be as the **SPEAKER** has just said. The base for that next budget would be the level of spending in this particular biennium. HB 501 establishes the current level as the legislative appropriations for the fiscal years preceding the next budget. This would again be the base for the schools. If the total spending was the base and they were short in the school equalization aid account then, from his perspective, they would make up the difference with general fund. That would be the base. It would not be the schedules times the new enrollment.

Vote: Motion carried 9-8 with Reps. Bardanouve, John Johnson, Kadas, Menahan, Nelson, Peck, Quilici and Wanzenried voting no.

Motion: REP. COBB MOVED HB 471 DO PASS AS AMENDED.

Discussion: REP. KADAS asked REP. COBB what he thinks this is going to do in regard to the second equalization suit, the under funding. Don't we weaken our position considerably by passing this Bill? REP. COBB said they don't consider this Bill an equalization Bill. They are just balancing the budget. REP. KADAS asked him if he agrees this Bill will make it more difficult for the legislature to defend the current system of funding? REP. COBB said probably in most cases. REP. KADAS said if balancing the budget just gets you in court, worse than you already are, have you really balanced the budget? REP. COBB said what they are going to do in the Select Committee will look a lot better in this Bill in the end. **CHAIRMAN ZOOK** gave an observation that these were drafted by an attorney who is very knowledgeable about the equalization suits. He asked the secretary to roll the vote over from the previous motion as suggested by REP. MENAHAN.

Vote: HB 471 DO PASS AS AMENDED 9-8 WITH Reps. Bardanouve, John Johnson, Kadas, Menahan, Nelson, Peck, Quilici and Wanzenried voting no.

EXECUTIVE ACTION ON HB 428

Motion: REP. MENAHAN MOVED HB 428 DO PASS

Discussion: REP. BARDANOUE asked if this will be only for two more years? **CHAIRMAN ZOOK** said yes. REP. BARDANOUE said he would like to amend this Bill to make it a permanent program and

as the source of funding the tax on insurance premiums. We go through this every session. Ms. Cohea said that two amendments would be necessary: 1) Make the source of funding permanent; and 2) then statutorily appropriate the proceeds to the program.

Motion/Vote: REP. BARDANOUVE moved to amend HB 428 with the amendment to be drafted by Ms. Cohea. Motion failed 8 yes - 10 no.

Discussion: REP. ROYAL JOHNSON asked a question of this Bill related to this program and to the program run by Shodair which has been discussed in the Education committee. Do these programs have any relationship and is there a possibility these two programs should be integrated? Jack Casey, Director, said the kids are being seen and they are getting a body of knowledge about kids with psychiatric conditions and how they relate to genetics is yet to be studied. This is not a research project they are running but direct service. REP. ROYAL JOHNSON said then this particular program is not that research program. Mr. Casey said no.

REP. KASTEN asked if this is testing and counseling paid for by other insurance usually? Mr. Casey said as with any service they provide they maximize private insurance wherever possible. Other sources of private pay revenue supplied to this program FY 92-93 is \$632,100. Private insurance does pay some of the cost. Most of the expensive preventative stuff is not covered by insurance companies.

Motion/Vote: REP. MENAHAN moved HB 428 DO PASS. Motion carried 13 - 5 with Reps. Bergsagel, DeBruycker, Kasten, Nelson and Peterson voting no.

EXECUTIVE ACTION ON HB 480

Motion/Vote: REP. BARDANOUVE moved to amend HB 480 to remove all statutory appropriation. Motion passed 17-1 with Rep. DeBruycker voting no.

Motion: REP. BARDANOUVE moved HB 480 DO PASS AS AMENDED.

Discussion: REP. ROYAL JOHNSON said REP. RANEY has a Bill which proposes to take from Bed Tax \$500,000 a year for Park maintenance on a permanent basis and use it for the Governor's Conservation Corps. He wondered if that Bill would dove-tail with this one or have any affect on it.

REP. QUILICI said this Conservation Bill is one that the program itself, is going to be coming out as a Committee Bill for General Government and Highways. That does not entail all the Parks. It has to do with people working in projects, not just parks.

REP. DeBRUYCKER asked REP. BARDANOUVE how much is in the RIT fund? REP. BARDANOUVE said this Bill will not produce any money

for the Parks until the 95-97 biennium. There is some revenue but they do not know how much. The proposed Bill will take 40% of the revenue and it may be postponed further. **REP. DeBRUYCKER** said according to the fiscal note they are at \$90,600,000 now and in 1995 they predict \$94,600,000, roughly a \$4 million increase over two years so it will be at least three years before we get there, plus there is a Bill here to siphon off about 40% of that. If that Bill should pass they are looking at 8 to 10 years down the road. His feeling is, even looking three years down the road, if nothing is touched, there will be another session in here and rather than tie the funds up prematurely thinks it would be a good idea to hold off and put it in the next session.

REP. JOHN JOHNSON said in his area they have a premier park, Makoshika Park, which is the largest state park and has archeological areas, two or three paleontology Indian settlements that are so fragile they won't let people on the land to look at them. Not a single thing has been done in many of those areas in the Park. If they continue to not do anything the wind erosion, water erosion will take care of that by itself. They need to do something to enhance those parks if they want tourists to stay here. While this will not come into being until that \$100 million cap is reached, it's a mechanism that will be in place to do that.

REP. BARDANOUVE said it will give the Parks an opportunity to do some long range planning if they can see some money down the road.

REP. KASTEN said she thinks the planning has been done and to re-plan is maybe not to the best of advantage right now and the other thing is the Department of Health is going to need more funds out of the RIT fund to do such things as air quality and solid waste projects so she does not see this money lasting.

REP. GRADY has been on the Park Futures Committee and they have estimated it will probably cost \$12 or \$13 million to bring the Parks up to standard.

REP. NELSON said since there was a committee to study the parks' system and came up with the 13 recommendations and wondered if there are any other Bills drafted to address this.

REP. JOHN JOHNSON said the Parks Futures is not the comprehensive plan that this Bill addresses. That is an overview of the Park system and what the Futures Committee thought the direction should be taken. The Natural Resources subcommittee discussed this when working with FWP. This Bill addresses a much more detailed long range plan rather than just an overview.

REP. KADAS said he was interested in what **REP. GRADY** had to say but the problem with the Park Futures committee was that was done in the previous biennium. We dealt with that report last session and asked about the level of funding that was initially proposed,

something like \$1.5 million a year.

REP. QUILICI said it will probably be 6 to 8 years before the parks realize any money. With the passage of this legislation you can use the expertise of the Park Futures Committee along with the expertise of Fish, Wildlife and Parks to start working on this comprehensive plan.

CHAIRMAN ZOOK asked REP. BARDANOUVE where he thinks is the most appropriate source of money for our parks, the Resource Indemnity Trust Fund or the tourism bed tax. REP. BARDANOUVE said the pop tax.

REP. WANZENRIED said it seems to him we have a clear choice to make here. This Bill will not bring any money in for as many as ten years yet we have an immediate short term problem. Everyone knows the parks are over-used in western Montana and under-maintained in eastern Montana. His concern is they will pass this Bill and won't take care of the real need they have now.

Vote: HB 480 DO PASS AS AMENDED 10 - 8


EXECUTIVE ACTION ON HB 373

Motion/Vote: REP. KADAS MOVED THE AMENDMENTS, EXHIBIT 1. Motion passed unanimously.


Motion/Vote: REP. KADAS MOVED HB 373 DO PASS AS AMENDED 12 - 6.

ADJOURNMENT

Adjournment: 4:25 P.M.



REP. TOM ZOOK, Chair



MARY LOU SCHMITZ, Secretary

TZ/mls

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL

DATE

2/16/93

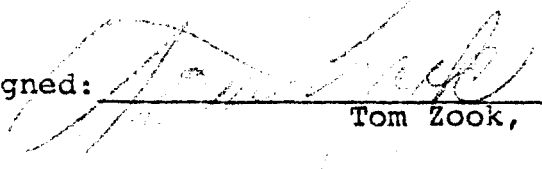
NAME	PRESENT	ABSENT	EXCUSED
REP. ED GRADY, V. CHAIR			✓
REP. FRANCIS BARDANOUVE	✓		
REP. ERNEST BERGSAGEL	✓		
REP. JOHN COBB	✓		
REP. ROGER DEBRUYKER	✓		
REP. MARJ. FISHER	✓		
REP. JOHN JOHNSON	✓		
REP. ROYAL JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BETTY LOU KASTEN	✓		
REP. WM. "RED" MENEHAN	✓		
REP. LINDA NELSON	✓		
REP. RAY PECK	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. DAVE WANZENREID	✓		
REP. BILL WISEMAN	✓		
REP. TOM ZOOK, CHAIR	✓		

HOUSE STANDING COMMITTEE REPORT

February 17, 1993

Page 1 of 4

Mr. Speaker: We, the committee on Appropriations report that House Bill 471 (first reading copy -- white) do pass as amended.

Signed: 

Tom Zook, Chair

And, that such amendments read:

1. Title, line 7.

Strike: ", AND SUCCEEDING YEARS"

Following: ";

Insert: "PROVIDING THAT THE FUND BALANCE IN THE EQUALIZATION AID ACCOUNT BE TRANSFERRED TO THE GENERAL FUND AT THE END OF EACH FISCAL YEAR;"

2. Title, line 13.

Following: "20-9-319,"

Insert: "20-9-343,"

3. Page 1, lines 20 and 21.

Following: "fiscal" on line 20

Strike: "year"

Insert: "years"

Following: "and" on line 20

Strike: remainder of line 20 through "years" on line 21

Insert: "1995"

4. Page 1, line 22.

Following: "and"

Strike: "succeeding school years"

Insert: "the school fiscal year ending June 30, 1995"

5. Page 3, line 16.

Strike: "year"

Insert: "years"

Following: "and"

Strike: "succeeding years"

Insert: "1995"

6. Page 3, lines 17 and 18.

Following: "and"

Strike: remainder of line 17 through "years" on line 18

Insert: "and the school fiscal year ending June 30, 1995"

7. Page 5, line 1.

Following: page 4, line 25

Insert: "Section 3. Section 20-9-343, MCA, is amended to read:

"20-9-343. (Temporary) Definition of and revenue for state equalization aid. (1) As used in this title, the term "state equalization aid" means the money deposited in the state special revenue fund as required in this section plus any legislative appropriation of money from other sources for:

(a) distribution to the public schools for the payment of guaranteed tax base aid and for equalization of the foundation program;

(b) the Montana educational telecommunications network as provided in 20-32-101; and

(c) filing fees for school district audits as required by 2-7-514(2).

(2) The superintendent of public instruction may spend funds appropriated for state equalization aid, as required by subsections (1)(a) and (1)(b), throughout the biennium.

(3) The following must be paid into the state special revenue fund for state equalization aid to public schools of the state:

(a) money received from the collection of income taxes under chapter 30 of Title 15, as provided by 15-1-501;

(b) except as provided in 15-31-702, money received from the collection of corporation license and income taxes under chapter 31 of Title 15, as provided by 15-1-501;

(c) money allocated to state equalization from the collection of the severance tax on coal;

(d) money received from the treasurer of the United States as the state's shares of oil, gas, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended;

(e) interest and income money described in 20-9-341 and 20-9-342;

(f) money received from the state equalization aid levy under 20-9-360;

(g) income from the lottery, as provided in 23-7-402;

(h) the surplus revenues collected by the counties for foundation program support according to 20-9-331 and 20-9-333;

(i) investment income earned by investing money in the state equalization aid account in the state special revenue fund; and

(j) 15% of the income and earnings of all coal severance tax funds as provided in 17-5-704.

(4) The superintendent of public instruction shall request

the board of investments to invest the money in the state equalization aid account to maximize investment earnings to the account.

(5) Any surplus revenue in the state equalization aid account in the second year of a biennium may be used to reduce any appropriation required for the next succeeding biennium. (Terminates June 30, 1993--sec. 5, Ch. 729, L. 1991.)

20-9-343. (Effective July 1, 1993) Definition of and revenue for state equalization aid. (1) As used in this title, the term "state equalization aid" means the money deposited in the state special revenue fund as required in this section plus any legislative appropriation of money from other sources for distribution to the public schools for the purposes of payment of guaranteed tax base aid and equalization of the foundation program and for the Montana educational telecommunications network as provided in 20-32-101.

(2) The superintendent of public instruction may spend funds appropriated for state equalization aid as required for the purposes of guaranteed tax base aid, the foundation program, and the Montana educational telecommunications network, throughout the biennium.

(3) The following must be paid into the state special revenue fund for state equalization aid to public schools of the state:

(a) money received from the collection of income taxes under chapter 30 of Title 15, as provided by 15-1-501;

(b) except as provided in 15-31-702, money received from the collection of corporation license and income taxes under chapter 31 of Title 15, as provided by 15-1-501;

(c) money allocated to state equalization from the collection of the severance tax on coal;

(d) money received from the treasurer of the United States as the state's shares of oil, gas, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended;

(e) interest and income money described in 20-9-341 and 20-9-342;

(f) money received from the state equalization aid levy under 20-9-360;

(g) income from the lottery, as provided in 23-7-402;

(h) the surplus revenues collected by the counties for foundation program support according to 20-9-331 and 20-9-333;

(i) investment income earned by investing money in the state equalization aid account in the state special revenue fund; and

(j) 15% of the income and earnings of all coal severance tax funds as provided in 17-5-704.

(4) The superintendent of public instruction shall request the board of investments to invest the money in the state equalization aid account to maximize investment earnings to the

account.

(5) Any surplus revenue in the state equalization aid account ~~in the second~~ at the end of a fiscal year ~~of a biennium~~ may must be used to reduce any appropriation required for the next succeeding biennium transferred to the general fund."

Renumber: subsequent sections

-END-

HOUSE STANDING COMMITTEE REPORT

February 17, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that House Bill 428 (first reading copy -- white) do pass.

Signed: _____

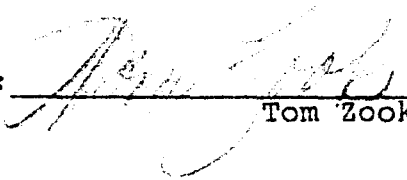
Tom Zook, Chair

HOUSE STANDING COMMITTEE REPORT

February 17, 1993

Page 1 of 2

Mr. Speaker: We, the committee on Appropriations report that House Bill 480 (first reading copy -- white) do pass as amended

Signed: 

Tom Zook, Chair

And, that such amendments read:

1. Title, line 4.

Following: "ACT"

Strike: "APPROPRIATING"

Insert: "ALLOCATING"

2. Title, line 8.

Following: "MAINTENANCE TRUST FUND;"

Strike: "STATUTORILY APPROPRIATING"

Insert: "ALLOWING EXPENDITURE OF"

3. Title, line 9.

Following: "INCOME"

Strike: "TO"

Insert: "BY"

4. Title, line 12.

Following: "PARKS"

Insert: "AND TO LEGISLATIVE APPROPRIATION"

5. Title, line 12.

Following: "AMENDING"

Strike: "SECTIONS"

Insert: "SECTION"

6. Title, line 12.

Following: "15-38-202"

Strike: "AND 17-7-502"

7. Page 4, lines 15 and 16.

Following: "fund"

Strike: "is statutorily appropriated, as provided in 17-7-502,
to"

Insert: "must be used, subject to legislative appropriation, by"

February 17, 1993
Page 2 of 2

8. Page 5, line 3.

Following: "fund"

Insert: ", subject to legislative appropriation,"

9. Page 5, line 9 through page 7, line 4.

Strike: section 4 in its entirety

Renumber: subsequent sections

-END-

HOUSE STANDING COMMITTEE REPORT

February 17, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that House Bill 373 (first reading copy -- white) do pass as amended

Signed: _____

Tom Zook, Chair

And, that such amendments read:

1. Title, line 5.

Following: "FOR"

Insert: "CERTAIN"

2. Page 1, line 16.

Following: "deposited"

Insert: "that is in excess of general and pay plan
appropriations"

-END-

Don't have a secret

Amendments to House Bill No. 471
First Reading Copy

Requested by Speaker Mercer
For the Committee on Appropriations

Prepared by Greg Petesch
February 15, 1993

EXHIBIT 1
DATE 2/16/93
HB 471

1. Title, line 7.

Strike: ", AND SUCCEEDING YEARS"

Following: ";

Insert: "PROVIDING THAT THE FUND BALANCE IN THE EQUALIZATION AID
ACCOUNT BE TRANSFERRED TO THE GENERAL FUND AT THE END OF
EACH FISCAL YEAR;"

2. Title, line 13.

Following: "20-9-319,"

Insert: "20-9-343,"

3. Page 1, lines 20 and 21.

Following: "fiscal" on line 20

Strike: "year"

Insert: "years"

Following: "and" on line 20

Strike: remainder of line 20 through "years" on line 21

Insert: "1995"

4. Page 1, line 22.

Following: "and"

Strike: "succeeding school years"

Insert: "and the school fiscal year ending June 30, 1995"

5. Page 3, line 16.

Strike: "year"

Insert: "years"

Following: "and"

Strike: "succeeding years"

Insert: "1995"

6. Page 3, lines 17 and 18.

Following: "and"

Strike: remainder of line 17 through "years" on line 18

Insert: "and the school fiscal year ending June 30, 1995"

7. Page 5, line 1.

Insert: "Section 3. Section 20-9-343, MCA, is amended to read:

"20-9-343. (Temporary) Definition of and revenue for state
equalization aid. (1) As used in this title, the term "state
equalization aid" means the money deposited in the state special
revenue fund as required in this section plus any legislative
appropriation of money from other sources for:

(a) distribution to the public schools for the payment of
guaranteed tax base aid and for equalization of the foundation

program;

(b) the Montana educational telecommunications network as provided in 20-32-101; and

(c) filing fees for school district audits as required by 2-7-514(2).

(2) The superintendent of public instruction may spend funds appropriated for state equalization aid, as required by subsections (1)(a) and (1)(b), throughout the biennium.

(3) The following must be paid into the state special revenue fund for state equalization aid to public schools of the state:

(a) money received from the collection of income taxes under chapter 30 of Title 15, as provided by 15-1-501;

(b) except as provided in 15-31-702, money received from the collection of corporation license and income taxes under chapter 31 of Title 15, as provided by 15-1-501;

(c) money allocated to state equalization from the collection of the severance tax on coal;

(d) money received from the treasurer of the United States as the state's shares of oil, gas, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended;

(e) interest and income money described in 20-9-341 and 20-9-342;

(f) money received from the state equalization aid levy under 20-9-360;

(g) income from the lottery, as provided in 23-7-402;

(h) the surplus revenues collected by the counties for foundation program support according to 20-9-331 and 20-9-333;

(i) investment income earned by investing money in the state equalization aid account in the state special revenue fund; and

(j) 15% of the income and earnings of all coal severance tax funds as provided in 17-5-704.

(4) The superintendent of public instruction shall request the board of investments to invest the money in the state equalization aid account to maximize investment earnings to the account.

(5) Any surplus revenue in the state equalization aid account in the second year of a biennium may be used to reduce any appropriation required for the next succeeding biennium. (Terminates June 30, 1993--sec. 5, Ch. 729, L. 1991.)

20-9-343. (Effective July 1, 1993) Definition of and revenue for state equalization aid. (1) As used in this title, the term "state equalization aid" means the money deposited in the state special revenue fund as required in this section plus any legislative appropriation of money from other sources for distribution to the public schools for the purposes of payment of guaranteed tax base aid and equalization of the foundation program and for the Montana educational telecommunications network as provided in 20-32-101.

(2) The superintendent of public instruction may spend funds appropriated for state equalization aid as required for the purposes of guaranteed tax base aid, the foundation program, and the Montana educational telecommunications network, throughout the biennium.

EXHIBIT 1
DATE 2/16/93
HB 471

(3) The following must be paid into the state special revenue fund for state equalization aid to public schools of the state:

(a) money received from the collection of income taxes under chapter 30 of Title 15, as provided by 15-1-501;

(b) except as provided in 15-31-702, money received from the collection of corporation license and income taxes under chapter 31 of Title 15, as provided by 15-1-501;

(c) money allocated to state equalization from the collection of the severance tax on coal;

(d) money received from the treasurer of the United States as the state's shares of oil, gas, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended;

(e) interest and income money described in 20-9-341 and 20-9-342;

(f) money received from the state equalization aid levy under 20-9-360;

(g) income from the lottery, as provided in 23-7-402;

(h) the surplus revenues collected by the counties for foundation program support according to 20-9-331 and 20-9-333;

(i) investment income earned by investing money in the state equalization aid account in the state special revenue fund; and

(j) 15% of the income and earnings of all coal severance tax funds as provided in 17-5-704.

(4) The superintendent of public instruction shall request the board of investments to invest the money in the state equalization aid account to maximize investment earnings to the account.

(5) Any surplus revenue in the state equalization aid account ~~in the second at the end of a fiscal year of a biennium~~ may must be used to reduce any appropriation required for the ~~next succeeding biennium~~ transferred to the general fund." "

Renumber: subsequent sections

HOUSE OF REPRESENTATIVES

ADDODDATIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/16/93 BILL NO. HB 471 NUMBER MOTION: Rep. Cobb moved the amendments, Exhibit 1

Motion carried 9 - 8

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		
REP. FRANCIS BARDANOUVE		X
REP. ERNEST BERGSAGEI	X	
REP. JOHN COBB	X	
REP. ROGER DEBRUYKER	X	
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON		X
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS		X
REP. BETTY LOU KASTEN	X	
REP. WM. RED MENAHAN		X
REP. LINDA NELSON		X
REP. RAY PECK		X
REP. MARY LOU PETERSON	X	
REP. JOE QUILLICI		X
REP. DAVE WANZENREID		X
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	9	8

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/16/93 BILL NO. HB 471 NUMBER MOTION: Rep. Cobb moved HB 471 DO PASS AS AMENDED.

Motion carried 9 - 8

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		
REP. FRANCIS BARDANOUVE		X
REP. ERNEST BERGSAGE	X	
REP. JOHN COBB	X	
REP. ROGER DEBRUYKER	X	
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON		X
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS		X
REP. BETTY LOU KASTEN	X	
REP. WM. RED MENAHAN		X
REP. LINDA NELSON		X
REP. RAY PECK		X
REP. MARY LOU PETERSON	X	
REP. JOE QUILICI		X
REP. DAVE WANZENREID		X
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	9	8

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/16/93 BILL NO. HB 428 NUMBER

MOTION: Rep. Bardanouve moved amendments be drafted by

Ms. Cohea

Motion failed 8 - 10

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGEI		X
REP. JOHN COBB		X
REP. ROGER DEBRUYKER		X
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON	X	
REP. ROYAL JOHNSON		X
REP. MIKE KADAS	X	
REP. BETTY LOU KASTEN		X
REP. WM. RED MENAHAN	X	
REP. LINDA NELSON		X
REP. RAY PECK	X	
REP. MARY LOU PETERSON		X
REP. JOE QUILLICI		X
REP. DAVE WANTZENREID		X
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR		X
	8	10

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/16/93 BILL NO. HB 428 NUMBER MOTION: Rep. Menahan moved HB 428 DO PASS

Motion carried 13 - 5

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	X	
REP. FRANCIS BARDANOUE	X	
REP. ERNEST BERGSAGER		X
REP. JOHN COBB	X	
REP. ROGER DEBRUYKER		X
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON	X	
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS	X	
REP. BETTY LOU KASTEN		X
REP. WM. RED MENAHAN	X	
REP. LINDA NELSON		X
REP. RAY PECK	X	
REP. MARY LOU PETERSON		X
REP. JOE QUILLICI	X	
REP. DAVE WENZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	13	5

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/16/93 BILL NO. HB 480 NUMBER MOTION: Rep. Bardanouve moved to amend HB 480 to remove all
statutory appropriation.

Motion carried 17 - 1

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGE	X	
REP. JOHN COBB	X	
REP. ROGER DEBRUYKER		X
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON	X	
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS	X	
REP. BETTY LOU KASTEN	X	
REP. WM. RED MENAHAN	X	
REP. LINDA NELSON	X	
REP. RAY PECK	X	
REP. MARV LOU PETERSON	X	
REP. JOE QUILICI	X	
REP. DAVE WANZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	17	1

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/16/93 BILL NO. HR 480 NUMBER MOTION: Rep. Bardanouve moved DO PASS AS AMENDED

Motion carried 10 - 8

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGE		X
REP. JOHN COBB		X
REP. ROGER DEBRUYKER		X
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON	X	
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS	X	
REP. BETTY LOU KASTEN		X
REP. WM. RED MENAHAN	X	
REP. LINDA NELSON		X
REP. RAY PECK		X
REP. MARY LOU PETERSON		X
REP. JOE QUILICI	X	
REP. DAVE WANZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR		X
	10	8

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/16/93 BILL NO. HB 373 NUMBER

MOTION: Rep. Kadas moved the amendments, Exhibit 1

Motion carried unanimously

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	x	
REP. FRANCIS BARDANOUVE	x	
REP. ERNEST BERGSAGEI	x	
REP. JOHN COBB	x	
REP. ROGER DEBRUYKER	x	
REP. MARJ. FISHER	x	
REP. JOHN JOHNSON	x	
REP. ROYAL JOHNSON	x	
REP. MIKE KADAS	x	
REP. BETTY LOU KASTEN	x	
REP. WM. RED MENAHAN	x	
REP. LINDA NELSON	x	
REP. RAY PECK	x	
REP. MARY LOU PETERSON	x	
REP. JOE QUILLICI	x	
REP. DAVE WANZENREID	x	
REP. BILL WISEMAN	x	
REP. TOM ZOOK, CHAIR	x	
	18	0

Amendments to House Bill No. 373
First Reading Copy

Requested by Representative Kadas
For the Committee on Appropriations

Prepared by Greg Petesch
February 5, 1993

EXHIBIT 1
DATE 2/16/93
HB 373

1. Title, line 5.
Following: "FOR"
Insert: "CERTAIN"

2. Page 1, line 16.
Following: "deposited"
Insert: "that is in excess of general and pay plan
appropriations"

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/16/93 BILL NO. HB 373 NUMBER

MOTION: Rep. Kadas moved HB 373 DO PASS AS AMENDED.

Motion carried 12 - 6

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		X
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGE	X	
REP. JOHN COBB		X
REP. ROGER DEBRUYKER		X
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON	X	
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS	X	
REP. BETTY LOU KASTEN	X	
REP. WM. RED MENAHAN	X	
REP. LINDA NELSON	X	
REP. RAY PECK		X
REP. MARY LOU PETERSON		X
REP. JOE QUILLICI		X
REP. DAVE WANZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	12	6