

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - SPECIAL SESSION

COMMITTEE ON EDUCATION & CULTURAL RESOURCES

Call to Order: By **CHAIRMAN H.S. "SONNY" HANSON**, on November 30, 1993, at 1:00 P.M.

ROLL CALL

Members Present:

Rep. Sonny Hanson, Chairman (R)
Rep. Alvin Ellis, Vice Chairman (R)
Rep. Ray Brandewie (R)
Rep. Fritz Daily (D)
Rep. Ervin Davis (D)
Rep. Ed Dolezal (D)
Rep. Dan Harrington (D)
Rep. Jack Herron (R)
Rep. Bob Gervais (D)
Rep. Bea McCarthy (D)
Rep. Scott McCulloch (D)
Rep. Norm Mills (R)
Rep. Bill Rehbein (R)
Rep. Sam Rose (R)
Rep. Dick Simpkins (R)
Rep. Wilbur Spring (R)
Rep. Norm Wallin (R)
Rep. Diana Wyatt (D)

Members Excused: None.

Members Absent: None.

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

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

Committee Business Summary: **CHAIRMAN HANSON** discussed the agenda and informed the committee of the effect of HB 667, the reason for the special session. He reviewed on the base amount for the school equity funding program and the general fund structure under HB 667.

Hearing: HB 17, HB 18, & HB 23
Executive Action: HB 17, HB 18, & HB 23

HEARING ON HB 18

REP. MIKE FOSTER, District 32, Townsend, said that HB 18 requires voter approval for a school district's General Fund budget that exceeds the greater of the district's previous year's General Fund budget amount or any budget amount that represents an increase in the district's per-ANB budget amount; limits the over-base budget of a district to 104% of the previous year's General Fund budget or 104% of the previous year's General Fund budget per-ANB; and requires voter approval for any amount in excess of the maximum General Fund budget.

PROPONENTS:

None.

OPPONENTS:

Jack Copps, Deputy Superintendent, Office of Public Instruction, said in 1985 school districts filed complaints in which they said the Montana Constitution guaranteed students equal opportunity to a quality education. In 1989, the Supreme Court made the decision, and in 1991, another court case was filed. This bill begins to unravel what the legislature has done; the savings is really no savings at all. It may give some momentary peace of mind that the state might save \$100,000, but it also increases dramatically the legal liability of the state in equalizing educational opportunity. This is not the place to save money.

Don Waldron, Montana Rural Education Association, said this bill strikes at the heart of all rural people.

Pat Melby, Underfunded School Coalition, said that his organization filed the pending equalization lawsuit. This bill is an attack on HB 667 and equalized school funding. HB 18 will harm equalization in a major way.

QUESTIONS:

REP. SIMPKINS questioned the pending lawsuit. He then asked if HB 667 was not a major undertaking of the legislature to equalize. No one is willing to step forward and commit themselves that this is a good solution and it solves the problem.

Mr. Melby said this was the second lawsuit. His clients amended their complaint to include HB 667 in that lawsuit. He said that, if the school funding system could be left in place for awhile, maybe it could work. From the date it was implemented, each of the new bills being heard have been an attack on HB 667.

REP. REHBEIN asked if **Mr. Melby** was attacking all of the bills.

Mr. Melby said that they would be challenging HB 667 on the basis of school funding. It will depend on what the special session accomplishes.

REP. MILLS asked why this bill was being attacked.

Mr. Melby said that it was anticipated that any of the proposals seen in the regular session would be seen again during the special session.

REP. SPRING said there were 63 districts affected.

REP. FOSTER closed on the bill by saying this bill only extends the five years to ten years and does not affect school equalization.

HEARING ON HB 23

REP. WILLIAM BOHARSKI, District 4, Kalispell, said HB 23 required voter approval for a school district General Fund budget that exceeds the mandatory growth levels; requires voter approval for a school district general fund budget that exceeds the greater of the district's previous year's General Fund budget amount or any budget amount that represents an increase in the district's per-ANB budget amount; limits the over base budget of a district to 104% of the previous year's General Fund budget or 104% of the previous year's General Fund budget PER-ANB; and requires voter approval for any amount in excess of the maximum General Fund budget. He also said there was a \$1.5-\$2 million budget impact if HB 23 is passed and suggested letting the people run their own school districts with no across-the-board cuts.

PROPOSERS:

None.

OPPOSERS:

Don Waldron, Montana Rural Education Association, said that he does not feel this bill is a good step forward.

Terry Minow, Montana Federation of Teachers, stated that her organization was opposed to HB 23. During the last session they did not support HB 667, but they softened their opposition because it could partially keep up with inflation without a vote and because it allows schools over 100% of base to be frozen for two years.

Pat Melby reaffirmed his opposition to this bill.

Bob Anderson stated his opposition to this bill

Rodney Svee, Superintendent of Schools, Hardin, stated that the voted levy changed from an approved levy amount to budget authority. When the people vote, they are not longer voting for a levy; they are voting for budget authority.

QUESTIONS:

REP. HARRINGTON asked the sponsor whether this bill reverts back to the point where a vote is required for the total budget or for that portion above 100% of the year before.

REP. BOHARSKI said that any increase over the previous years budget would reduce the budget.

REP. ELLIS asked if the sponsor's bill deals only with schools below the minimum threshold of 80%. He asked whether it can be raised without a levy.

REP. BOHARSKI said nothing would be changed beyond 100%, and this bill does the same.

REP. WYATT asked what the under-funded-schools lawsuit was in attorney's fees, etc.

Mr. Melby said he did not know.

REP. BOHARSKI closed on the bill.

HEARING ON HB 17

REP. KADAS, District 55, Missoula, said HB 17 requires voter approval for a school district General Fund budget that exceeds the greater of the district's previous year's General Fund budget amount or any budget amount that represents an increase in the district's per-ANB budget amount; limits the over base budget of a district to 104% of the previous year's General Fund budget or 104% of the previous year's General Fund budget PER-ANB; and requires voter approval for any amount in excess of the maximum General Fund budget.

PROPONENTS:

None.

OPPONENTS:

Don Waldron stated this bill was not as bad as the last bill but still is not a good bill.

Pat Melby opposed the bill.

Bob Anderson said that he opposed the bill.

Terry Minow said that she opposed the bill.

Eric Feaver, Montana Education Association, said that there was not a good thing about any of the past three bills.

Loren Frazier School Administrators of Montana, said that he would like to see HB 667 stay in effect for the next two years to see what it accomplishes, if anything.

Rodney Svee said that the voters in various counties had increases because of the change in mill levies. There were 34 counties that had increases in taxes as a result of one or both of those. There were decreases in 21 counties. The districts faced anger for things they had nothing to do with. For the previous six years, in his own district, taxes have decreased.

QUESTIONS:

REP. BRANDEWIE said he had determined from testimony that in two years the legislature would be returning. He asked if there would still be lawsuits to contend with.

Mr. Melby said no. HP 667 was a compromise, not a bill everyone liked. It should be given a chance to work. It is not going to be given that chance and is going to have pieces cut from it.

REP. HARRINGTON asked whether a school at 178% could go from 178% to 100% in one vote if the mill levy is not passed.

REP. KADAS said it could be levied up to 80 and 100 without vote and up to 4% over that with a vote. In HB 667 there was a two year time frame. This bill would provide a one year time limit.

REP. GERVAIS said this was going to happen anyway under the current law.

REP. KADAS said that the taxpayers will need to make some effort to get all of their money from the state through guaranteed tax efforts. They will get a state subsidy.

REP. KADAS said that, historically, Montanans have had the ability to vote on levies. HB 667 took most of that ability away. From the position of ownership, it is important that the people be able to vote on these things. There needs to be some say by the people. He then closed on the bill.

EXECUTIVE ACTION ON HB 18

Motion: REP. McCARTHY HB 18 BE TABLED.

Vote: Motion carried 16-2 with REPS. GERVAIS and SPRING voting no.

EXECUTIVE ACTION ON HB 17

Motion: REP. ELLIS MOVED HB 17 DO PASS.

Discussion: REP. ELLIS stated that not only have the people historically voted on these increases in school funding, but under the current political climate taking the vote away was the wrong kind of statement to make. This is the only place people have the chance to vote on any of their taxes. This represents the largest share of local taxes. To take that vote away was something we were not expected to do and people have the right to get it back. The bill should be passed.

REP. McCARTHY said that most of the schools above the 100% and that would need to go back down within the two year period are very small schools.

REP. SIMPKINS said the provision should be restored and not worry about it this time because of the regular session in 1995. There was a lot of discussion and this is the final compromise.

Motion: REP. SIMPKINS MOVED TO RESTORE THE LANGUAGE ON PAGE 5, LINES 5 AND 6.

DISCUSSION: REP. DAILY stated that this deals with the same issue as far as the vote is concerned.

MOTION: REP. SIMPKINS WITHDREW HIS MOTION TO AMEND HB 17.

DISCUSSION: REP. DOLEZAL stated that the school boards need to have some flexibility to grow and the amendment he proposed is anything over 102%.

MOTION: REP. DAILY MOVED TO POSTPONE ACTION ON HB 17. Motion carried 17-1 with REP. SIMPKINS voting no.

EXECUTIVE ACTION ON HB 23

Motion: REP. SIMPKINS MOVED TO POSTPONE ACTION ON HB 23. Motion carried 17-1 with REP. SIMPKINS voting no.

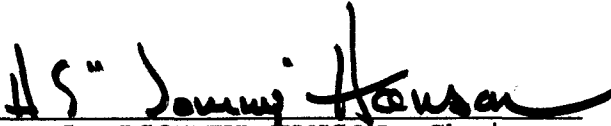
HOUSE EDUCATION & CULTURAL RESOURCES COMMITTEE

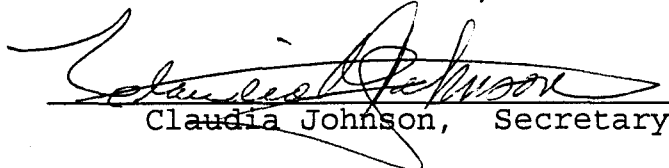
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ADJOURNMENT

Adjournment: 3:00 P.M.


H.S. "SONNY" HANSON, Chairman


Claudia Johnson, Secretary

HSH/cj

HOUSE OF REPRESENTATIVES
EDUCATION AND CULTURAL RESOURCE COMMITTEE

ROLL CALL

DATE 11-30-93

NAME	AYE	NO
REP. H.S. "SONNY" HANSON, CHAIRMAN	✓	
REP. ALVIN ELLIS, VICE CHAIRMAN	✓	
REP. DIANA WYATT, VICE CHAIR	✓	
REP. RAY BRANDEWIE	✓	
REP. FRITZ DAILY	✓	
REP. ERVIN DAVIS	✓	
REP. ED DOLEZAL	✓	
REP. DAN HARRINGTON	✓	
REP. JACK HERRON	✓	
REP. BOB GERVAIS	✓	
REP. BEA McCARTHY	✓	
REP. SCOTT McCULLOCH	✓	
REP. NORM MILLS	✓	
REP. BILL REHBEIN	✓	
REP. SAM ROSE	✓	
REP. DICK SIMPKINS	✓	
REP. WILBUR SPRING	✓	
REP. NORM WALLIN		

HR:1993

wp:rlclvote.man

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Education COMMITTEE BILL NO. HB 17
 DATE 11-30-93 SPONSOR(S) Kadas
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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<u>Robert Otten</u>	<u>Westby School</u>		<u>X</u>
<u>Dustin Hill</u>	<u>Scobey School</u>		<u>X</u>
<u>Ken Halverson</u>	<u>Ophain School</u>		<u>X</u>
<u>Pat Melby</u>	<u>Underwood Schools</u>		<u>✓</u>
<u>John Chace</u>	<u>M.F.T.</u>		<u>X</u>
<u>Terry Munn</u>	<u>MFT</u>		<u>X</u>
<u>Loran Jorgensen</u>	<u>STAM</u>		<u>X</u>
<u>Vic Olsen</u>	<u>MSA</u>		<u>o</u>
<u>Rodney Snee</u>	<u>Hardin Public Schools</u>		<u>X</u>
<u>Don Walden</u>	<u>MSA</u>		<u>X</u>
<u>Bob Anderson</u>	<u>MSBA</u>		<u>X</u>

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HOUSE OF REPRESENTATIVES
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COMMITTEE

BILL NO.

H/B 18

DATE

11-30-93

SPONSOR(S)

Foster

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<u>Robert Olsen</u>	<u>Westly School</u>		<input checked="" type="checkbox"/>
<u>Dustin Hill</u>	<u>Scobey School</u>		<input checked="" type="checkbox"/>
<u>Ken Halverson</u>	<u>Opheim School</u>		<input checked="" type="checkbox"/>
<u>Pat Melby</u>	<u>Undisputed Schools</u>		<input checked="" type="checkbox"/>
<u>John Walter</u>	<u>M.F.T.</u>		<input checked="" type="checkbox"/>
<u>Terry Munsel</u>	<u>MFT</u>		<input checked="" type="checkbox"/>
<u>Loray Frazee</u>	<u>STAM</u>		<input checked="" type="checkbox"/>
<u>Orin Dean</u>	<u>MSA</u>		<input checked="" type="checkbox"/>
<u>Jack Capps</u>	<u>OPI</u>		<input checked="" type="checkbox"/>
<u>Doug Waldner</u>	<u>MSRA</u>		<input checked="" type="checkbox"/>
<u>Bob Aranson</u>	<u>MSBA</u>		<input checked="" type="checkbox"/>

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Education

COMMITTEE

BILL NO.

HB 23

DATE 11-30-93 SPONSOR(S)

Boharski

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Robert Olheim	Westly School		✓
Dustin Hill	Scobey School		✓
Ken Halverson	Opheim School		✓
Pat Melby	Undersprung Schools		✓
John Malone	M. F. T.		✓
Terry Morrow	MFT		✓
Loan Fagan	STAM		✓
Vin Olsen	MED		2
Rodney Snee	Hardin Public Schools		X
Don Walker	MREA		X
Bob Anderson	MSBIT		X

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HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Business & Econ

COMMITTEE

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DATE

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
W. James Kumbel	POL Bureau Doc	HJ1		X
Steve Meloy	POL COMM	HJ1		

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