

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON EDUCATION

Call to Order: By CHAIRMAN ROYAL C. JOHNSON, on February 11, 1997, at 8:33 AM, in room 312-2 of the State Capitol.

ROLL CALL

Members Present:

Rep. Royal C. Johnson, Chairman (R)
Sen. Daryl Toews, Vice-Chairman (R)
Rep. Don Holland (R)
Sen. Greg Jergeson (D)
Sen. Ken Miller (R)
Rep. Ray Peck (D)

Members Excused: None

Members Absent: None

Staff Present: Sandy Whitney, Legislative Fiscal Division
Bob Tallerico, Legislative Fiscal Division
Connie Jacobs, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: None
Executive Action: Montana School for the Deaf and Blind (MSDB), School Transportation Supervisor Position (OPI), Montana University System Distance Learning Initiative, the Six Mill Levy.

Orientation - Community College Redistribution Plan

Ms. Sandy Whitney, Legislative Fiscal Analyst, presented a conflict with SEN. GREG JERGESON'S Redistribution Plan (which had been acted on previously); such that without property reappraisals, the Flathead levy would be about 14 mills. The I-105 mill levy cap is 11.5 mills. Therefore, tuition increases would occur if Flathead Community College maintained their current funding while adhering to the I-105 cap. One option to prevent this would be a committee bill allowing an exemption of

the I-105 cap for Flathead Community College. **SEN. JERGESON** responded to the conflicts. Discussion from the committee members followed.

EXHIBIT 1 (**Ms. Whitney**)

{Tape: 1; Side: A; Approx. Time Count: 1-9; Comments: .}

SEN. JERGESON presented SJR2 to the committee, followed by discussion.

EXHIBIT 2

EXHIBIT 2a (**SEN. JERGESON**)

{Tape: 1; Side: A; Approx. Time Count: 10-14; Comments: .}

EXECUTIVE ACTION ON DISTANCE LEARNING FUNDING

CHAIRMAN JOHNSON explained the need to revisit action on the Distance Learning funding allocated previously. **Ms. Whitney** read the language which would earmark this money appropriated for the Western Governors' University.

EXHIBIT 3 (**Ms. Whitney**)

Motion: **SEN. KEN MILLER** moved that "The distance learning appropriation of \$ 60,000 in item ___ is for payment to the western governors' association for development of a virtual university".

Vote: THE MOTION PASSED UNANIMOUSLY.

{Tape: 1; Side: A; Approx. Time Count: 14-16; Comments: .}

CHAIRMAN JOHNSON explained the need to revisit the six mill levy, stating that the University System is entitled to the entire six mills. If more revenue comes in than budgeted in the bill, then the University System gives a dollar for dollar general fund reversion. If less revenue than budgeted in the bill is received, the General Fund makes up that difference through a supplemental appropriation. The projected numbers are approximately \$ 300,000 lower for each fiscal year (98 and 99) than the executive budget. Discussion regarding this issue followed.

{Tape: 1; Side: A; Approx. Time Count: 16-27; Comments: .}

EXECUTIVE ACTION ON THE SIX MILL LEVY APPROPRIATION LANGUAGE

Motion: SEN. JERGESON MOVED TO RECONSIDER THE PREVIOUS EXECUTIVE ACTION ON THE SIX MILL LEVY LANGUAGE.

Vote: THE MOTION TO RECONSIDER PASSED UNANIMOUSLY.

CHAIRMAN JOHNSON read the language which would make up the \$ 300,000 difference, in fiscal years 1998 and 1999, in the budget created by the six mill levy measure.

Motion: SEN. TOEWS MOVED THAT "INCLUDED IN THE STATE SPECIAL REVENUE APPROPRIATIONS IN ITEM 1 IS \$ 16,499,000 IN FISCAL YEAR 1998 AND 16,800,000 IN FISCAL YEAR 1999 FOR REVENUE GENERATED UNDER PROVISIONS OF 20-25-423 THAT EXCEEDS \$ 16,499,000 IN FISCAL YEAR 1998 AND 16,800,000 IN FISCAL YEAR 1999 IS APPROPRIATED TO THE BOARD OF REGENTS AND REQUIRES A REVERSION OF A LIKE AMOUNT TO THE GENERAL FUND. IF REVENUE RECEIVED UNDER THE PROVISIONS OF 20-25-423 IS LESS THAN 16,499,000 IN FISCAL YEAR 1998 AND 16,800,000 IN FISCAL 1999, THE COMMISSIONER OF HIGHER EDUCATION MAY REQUEST A SUPPLEMENTAL APPROPRIATION UNDER THE PROCEDURES CONTAINED IN 17-7-301, FOR DISTRIBUTION TO THE UNIVERSITY SYSTEM. THE SUPPLEMENTAL REQUEST FOR THE BIENNIUM MAY TOTAL NO MORE THAN THE DIFFERENCE BETWEEN THE ACTUAL REVENUE AND THE APPROPRIATION."

Vote: THE MOTION PASSED UNANIMOUSLY.

{Tape: 1; Side: A; Approx. Time Count: 28-32; Comments: .}

Ms. Whitney asked if this language included increasing the budget and state special revenue for mill levies to a level that is 300,000 dollars less than the executive budget in each fiscal year. **CHAIRMAN JOHNSON** stated that it did.

Ms. Amy Carlson, Office of Budget Program Planning, presented information and language concerning the disparity of costs shared between universities for the energy conservation program obligation bonds.

EXHIBIT 4 (Ms. Carlson)

Motion: REP. HOLLAND MOVED TO APPROVE "ITEM ____ INCLUDES \$ 338,920 IN EACH YEAR OF THE BIENNIUM THAT MUST BE TRANSFERRED TO THE ENERGY CONSERVATION PROGRAM ACCOUNT AND USED TO RETIRE THE GENERAL OBLIGATION BONDS SOLD TO FUND ENERGY IMPROVEMENT THROUGH THE STATE BUILDING ENERGY CONSERVATION PROGRAM. THE COSTS OF THIS TRANSFER IN EACH YEAR OF THE BIENNIUM ARE; UNIVERSITY OF MONTANA, MISSOULA, 181,660; MONTANA STATE UNIVERSITY NORTHERN, 97,000; MONTANA STATE UNIVERSITY BILLINGS, 56,000; AND WESTERN MONTANA COLLEGE OF THE UNIVERSITY OF MONTANA, 4,260." , AS PRESENTED ON EXHIBIT 4.

Vote: THE MOTION PASSED UNANIMOUSLY.

{Tape: 1; Side: A; Approx. Time Count: 32-35; Comments: .}

Ms. Sandy Whitney presented further information regarding the Community College redistribution plan. **SEN. JERGESON** stated further complications with the plan, and the need to postpone action on this topic. **CHAIRMAN JOHNSON** concurred.

{Tape: 1; Side: A; Approx. Time Count: 36; Comments: .}

EXHIBIT 5 (Ms. Whitney)

Discussion: Office of Public Instruction

Mr. Bob Tallerico, Legislative Fiscal Analyst, explained the need to act on School Facility Payments (item 2) on page E-16. **Mr. Curtis Nichols, Office of Public Program Planning**, stated that the committee already acted on the current law portion of the funds (total of four million dollars - two million each fiscal year) in the general fund, as per item 7 on page E-14.

{Tape: 1; Side: A; Approx. Time Count: 36-43; Comments: .}

Ms. Madalyn Quinlan, Office of Public Instruction (OPI), stated that the committee did vote on the present law adjustments such that four million dollars were included within the budget. Discussion continued about removing the four million from the OPI budget, and including provisions for this amount in the "Today and Tomorrow" bill.

EXECUTIVE ACTION ON THE OFFICE OF PUBLIC INSTRUCTION

Motion: **REP. DON HOLLAND** MOVED TO APPROVE NEW PROPOSAL SCHOOL FACILITY PAYMENTS, ITEM NUMBER 2, OFFICE OF PUBLIC INSTRUCTION - DISTRIBUTION TO PUBLIC SCHOOLS, ON PAGE E-16.

Vote: THE MOTION FAILED, 2-4.

{Tape: 1; Side: B; Approx. Time Count: 1-10; Comments: .}

Discussion regarding the OPI School Transportation Supervisor position. **Mr. Don Waldron** and **Ms. Quinlan** responded to questions from the committee.

Motion: **REP. RAY PECK** MOVED TO APPROPRIATE 50,000 FOR EACH FISCAL YEAR FOR A SCHOOL TRANSPORTATION SUPERVISOR POSITION, FOR THE NEXT BIENNium.

Vote: THE MOTION FAILED, 2-4.

{Tape: 1; Side: B; Approx. Time Count: 10-19; Comments: .}

Additional discussion regarding the school transportation safety position.

{Tape: 1; Side: B; Approx. Time Count: 19-27; Comments: .}

Discussion - Montana School for the Deaf and Blind

REP. PECK presented some potential language regarding Montana School for the Deaf and Blind (MSDB) faculty salaries. **Mr. Bill Sykes** and **Ms. Marilyn Brasch, MSDB**, responded to questions by the committee.

{Tape: 1; Side: B; Approx. Time Count: 28-40; Comments: .}

EXHIBIT 6

EXHIBIT 6a

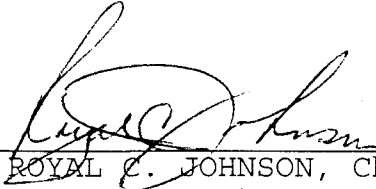
EXHIBIT 6b (**REP. PECK**)

Continued discussion regarding MSDB faculty salaries. **Mr. Wayne Buchanan, Board of Education**, and **Mr. Jack Noble** commented on the issues as well.

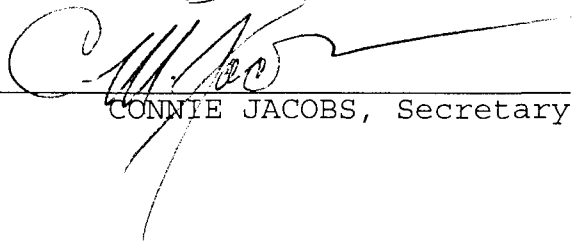
{Tape: 2; Side: A; Approx. Time Count: 1-19; Comments: .}

ADJOURNMENT

Adjournment: This meeting was adjourned at 10:15 am.



REP. ROYAL C. JOHNSON, Chairman



CONNIE JACOBS, Secretary

RCJ/cj

Note: This meeting was recorded on two (2) 90 minute tapes.