

MINUTES

MONTANA SENATE 55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON EDUCATION & CULTURAL RESOURCES

Call to Order: By **CHAIRMAN DARYL TOEWS**, on January 27, 1997, at 1:07, in Room 402.

ROLL CALL

Members Present:

Sen. Daryl Toews, Chairman (R)
Sen. C.A. Casey Emerson, Vice Chairman (R)
Sen. Debbie Bowman Shea (D)
Sen. Steve Doherty (D)
Sen. Delwyn Gage (R)
Sen. Wm. E. "Bill" Glaser (R)
Sen. John R. Hertel (R)
Sen. Loren Jenkins (R)
Sen. Mike Sprague (R)
Sen. Barry "Spook" Stang (D)
Sen. Mignon Waterman (D)

Members Excused: None

Members Absent: None

Staff Present: Eddye McClure, Legislative Services Division
Janice Soft, Committee Secretary

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

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 25, SB 198; Posted 01/21/97
Executive Action: None

HEARING ON HB 25

Sponsor: REP. DAVID EWER, HD 53, Helena

Proponents: Clifford Roessner, Montana Association of School
Business Officials
Lance Melton, Montana School Boards Association
Don Waldron, Montana Rural Education Association
Loran Frazier, School Administrators of Montana
Linda Vaughey, Havre Public Schools

Opponents: None.

{Tape: 1; Side: A; Approx. Time Count: 1:07-1:08 p.m.; Comments: First minute or two is Committee chitchat before the meeting actually began.}

Opening Statement by Sponsor:

REP. DAVID EWER, HD 53, Helena, gave his written Opening Statement. (EXHIBIT 1)

Proponents' Testimony:

Clifford Roessner, Business Manager and Clerk of Helena Public Schools & Montana Association of School Business Officials (MASBO), said HB 25 was a good bill and he thanked REP. EWER for carrying it. He said he could not add anything, except it gave school boards another tool for use in the wise managing of the financial needs of a school district. Mr. Roessner urged the CONCURRING of HB 25.

Lance Melton, Montana School Boards Association, gave written copies of testimony from Alan J. Olson, Roundup, (EXHIBIT 2) and Tonia Bloom, Corvallis (EXHIBIT 3). He distributed copies of a section of law, 20-9-502, (EXHIBIT 4) which was referenced but not included in HB 25. Mr. Melton referred to the new language in HB 25 and said any capitalization of the Building Reserve Fund could be done only through projects authorized through 20-9-502, which he explained to the Committee from (EXHIBIT 4). He further explained the purpose of HB 25 was to empower local voters to allow the districts to more quickly and efficiently face expenses too big for the school district's General Fund but too small to warrant a bond. Mr. Melton urged a DO CONCUR motion.

Don Waldron, Montana Rural Education Association (MREA), reiterated how the money could be spent only for its intended purpose, which had to be clearly spelled out before the voters voted. He urged the Committee's support for HB 25.

Loran Frazier, School Administrators of Montana (SAM), urged the Committee's support for HB 25.

Linda Vaughey, Private Citizen & Havre Public Schools, said HB 25 provided needed flexibility for school boards, referring to an example from the Havre Public Schools pertaining to roof repair for one of the schools. She said the school district passed a bond issue but needed the avenue HB 25 provided in order to secure the money to repair the roof before the five-year limit.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

SEN. MIKE SPRAGUE asked if the Havre situation was so bad it brought the need for HB 25 to people's attention. REP. EWER said HB 25 had two different parts of the statute: (1) Building

Reserve Fund which required a vote of the people; (2) School's ability to use the Board of Investments INTERCAP Program. **REP. EWER** explained ordinarily loans under the INTERCAP Program did not require a vote of the people; however, when money from Building Reserves was requested, the Board of Investments did not consider the Reserve Fund a sufficient pledge for INTERCAP loans so it did require a vote by the district voters. He explained the reason for the INTERCAP loan statute change request in 20-9-471 was because ordinarily money could not be loaned through INTERCAP for real property additions, but if the district had a Building Reserve, the money could be loaned for an addition.

SEN. DELWYN GAGE asked how to interpret Page 2, Line 7, Subsection (7), if the loan did not go against the district's debt limit. **REP. DAVID EWER** said if the loan were INTERCAP, it would go against debt limitation and he wanted to stress the district would not need to use INTERCAP, but could go through a banker, etc. He said different issues were involved when "debt" was used and that was why he used "capitalization."

SEN. SPRAGUE wondered what to call it if it was not "debt". **REP. EWER** answered ordinarily the Building Reserve was "pay as you go"; however, the General Fund rather than the Building Reserve could pay the interest on the loan. He again stressed the Building Reserve amount was only the amount the voters approved.

{Tape: 1; Side: A; Approx. Time Count: 1:24 p.m.}

SEN. LOREN JENKINS commented previously in the Building Reserve the voters did not know the entire project; it was done piece by piece. **REP. EWER** said they used to take the position if the General Fund could support the project, the Building Reserve was tangentially supporting; however, he became less and less comfortable with that because it was believed by some money could not legally be taken from the Building Reserve to pay the General Fund.

SEN. JENKINS asked if HB 25 would help the situation in Havre. **REP. EWER** said HB 25 would be able to help school districts get their projects online sooner as opposed to waiting for some time to build up their Building Reserve.

SEN. JENKINS asked what happened if the Building Reserve monies were gone, but another project was necessary. **REP. DAVID EWER** said the Building Reserve could legally be used only for the purpose for which the voters intended, i.e. uses could not be substituted.

SEN. JENKINS asked what happened if the loan tied up the whole Reserve for five years, and it was needed for another use. **SEN. EWER** explained once a project was done, the reserve could not be used until the voters gave their approval.

Closing by Sponsor:

REP. DAVID EWER said HB 25 was a bill that gave flexibility and he urged favorable consideration.

{Tape: 1; Side: A; Approx. Time Count: 1:33 p.m.}

HEARING ON SB 198

Sponsor: SEN. LORENTS GROSFIELD, SD 13, Big Timber

Proponents: Bill Adamo, Montana School Boards Association
Lance Melton, Montana School Boards Association
Eric Feaver, Montana Education Association
Loran Frazier, School Administrators of Montana

Opponents: None.

Opening Statement by Sponsor:

SEN. LORENTS GROSFIELD, SD 13, Big Timber, said SB 198 dealt with "same salary," an issue which came before the 1995 legislature, but did not pass. He said both administrators and teachers had worked hard to agree; thus amendments SB019801.ACE (EXHIBIT 5). SEN. GROSFIELD asked the Committee to adopt the amendments because there was a lot of support for SB 198.

Proponents' Testimony:

Bill Adamo, Montana School Boards Association (MSBA), read his written testimony. (EXHIBIT 6)

Lance Melton, Montana School Boards Association (MSBA), distributed copies of (EXHIBIT 7) and said all parties had worked together to make SB 198 a balanced bill which would clarify the definition, enable all to know the ground rules which applied to extended duty contracts and provide a statutory reference for "same salary". He explained Amendments SB019801.ACE (EXHIBIT 5) and referred to SB 198, Page 2, Lines 10-12, and said the "Effective Date--applicability" was inserted because by the time July 1, 1997, came around most of the 1997-98 contracts would have been written so they did not want to interfere for that fiscal year. He said it was also explained on Page 2, Lines 6-8. He urged a DO PASS from the Committee.

Eric Feaver, Montana Education Association (MEA), said MEA supported SB 198 with the amendments, because the amendments met the concerns of the teachers regarding the definition of "same salary". Mr. Feaver informed the Committee it had never been MEA's contention a teacher employed on an occasional basis for a summer event would be granted a "same salary" provision; nor had it been their argument that a person who was both coach and teacher but who lost the coaching position, would continue receiving the coaching salary though it was not being earned.

Mr. Feaver suggested local control was emphasized and underscored through collective bargaining, and SB 198 with the amendments addressed local control. He said it was MEA's opinion SB 198 with the amendments would work.

Loran Frazier, School Administrators of Montana (SAM), said SAM concurred in SB 198.

Opponents' Testimony: None.

{Tape: 1; Side: a; Approx. Time Count: 1:45 p.m.}

Questions From Committee Members and Responses:

SEN. DELWYN GAGE asked what happened if a school district and teachers union negotiated a different definition of "same salary." **Eric Feaver** said there was no problem with MEA and MFT; however, both unions would hope local districts would understand when entering into negotiations, changes could occur.

SEN. GAGE referred to Amendment 2 (Page 1, Lines 28-30) and asked why the language should be stricken. **Mr. Feaver** said they felt the language was redundant and inappropriate.

SEN. STEVE DOHERTY referred to Page 1, Lines 23-24, 27, and asked if it was the intent to include benefits or did benefits and stipends each stand alone for nonteaching duties. **SEN. GROSFIELD** said he understood "benefits, or stipends for nonteaching duties", but wondered if changing the "and" to "or" would change the meaning. **Lance Melton** referred to MSBA's Fact Sheet (**EXHIBIT 7**) and explained "same salary" did not include benefits, which applied in all circumstances, and "stipends" for nonteaching duties would be a separate issue. **Eric Feaver** said it was his interpretation benefits and stipends were two different things and both were excluded from the definition of "same salary."

Eddye McClure asked if a stipend had a benefit. **Mr. Feaver** answered he did not think so, except for certain things deducted from the salary. He explained he thought of benefits as such things as health care, which was not "same salary." He also explained "stipend" was a nonteaching duty, per se; and the compensation package would not be included in "same salary."

SEN. JENKINS commented teaching duties/teaching pay would go together and nonteaching duties/pay would be another section. **Eric Feaver** said SB 198 as amended would clarify those issues.

Closing by Sponsor:

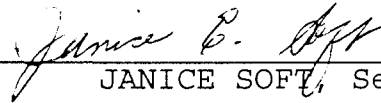
SEN. LORENTS GROSFIELD said the concerns could be cleared up if "excluding" were inserted before "stipends" on Page 1, Lines 24 & 27. He asked for a DO PASS from the Committee, but suggested adding the amendments.

ADJOURNMENT

Adjournment: The meeting adjourned at 1:53 p.m.



SEN. DARYL TOEWS, Chairman



JANICE SOFT, Secretary

DT/JS