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Peck House BILL NO. 151
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INTRODUCED BY _____
A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE TERMINATION OF THE SCHOOL DISTRICT COMPENSATED ABSENCE LIABILITY FUND, WHICH INCLUDED IN THE FUND UNTIL JUNE 30, 1995, THE ACCUMULATED AMOUNTS OF SICK LEAVE AND VACATION LEAVE FOR NONTEACHING AND ADMINISTRATIVE DISTRICT EMPLOYEES; CHANGING THE SCHOOL FISCAL YEAR USED IN CALCULATING THE COMPENSATED ABSENCE LIABILITY FUND RESERVE; AMENDING SECTION 20-9-512, MCA; REPEALING SECTION 3, CHAPTER 754, LAWS OF 1991; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 20-9-512, MCA, is amended to read:

"20-9-512. ~~(Temporary)~~ Compensated absence liability fund. (1) The trustees of a school district may establish a compensated absence liability fund for the purpose of paying:

(a) any accumulated amount of sick leave that a nonteaching or administrative school district employee is entitled to upon termination of employment with the district in accordance with the provisions of 2-18-618; and

(b) any accumulated amount of vacation leave that a nonteaching or administrative school district employee is entitled to upon termination of employment with the district.

(2) The compensated absence liability fund may be used only for the stated purpose of this section.

(3) At the end of each school fiscal year, the trustees may appropriate a portion of the general fund end-of-the-year fund balance to establish and maintain the compensated absence liability fund.

(4) The maximum amount in a reserve fund established under the provisions of subsections (1) and (3) may not exceed 30% of:

(a) the total school district liability for accumulated sick leave of nonteaching and administrative school district employees on June 30 of the ~~preceding~~ current school fiscal year; and

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(5) For the purposes of this section, "administrative school district employee" means a school

1 district employee who is employed in an administrative position and who accrues vacation leave as part
2 of the employee's contract with the school district. (~~Terminates July 1, 1995 see 3, Ch. 754, L. 1991.~~)

3 ~~**20-9-512. (Effective July 1, 1995) Reserve fund for payment of accumulated sick leave.** (1) The~~
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14 NEW SECTION. **Section 2. Repealer.** Section 3, Chapter 754, Laws of 1991, is repealed.

15

16 NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 1995.

17

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0151, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act removing the termination date of the school district compensated absence liability fund, which included in the fund until June 30, 1995, the accumulated amounts of sick leave and vacation leave for nonteaching and administrative employees; changing the school fiscal year used in calculating the compensated absence liability fund reserve.

ASSUMPTIONS:

1. Under current law, the compensated absence liability fund would terminate on July 1, 1995, but districts could continue to reserve funds for the purpose of paying accumulated sick leave.
2. House Bill 151 allows district to continue current practice by allowing districts to accumulate a reserve for the payment of both accumulated sick leave and vacation payments upon the termination of a nonteaching or administrative employee. Further, districts can accumulate these amounts based on current year rather than prior year liabilities.
3. More funds will be set aside from general fund end-of-year balances for vacation leave payout for nonteaching and administrative employees under HB151 then under current law. Therefore, districts will have less in fund balance to use to reduce property taxes and state guaranteed tax base aid in the ensuing school fiscal year.
4. Estimates of state equalization aid costs for fiscal years 1996 and 1997, prepared by OBPP and the LFA, did not anticipate GTB savings from the termination of the compensated absence liability fund.

FISCAL IMPACT:

There will be a small, but unknown cost to the state in the form of increased guaranteed tax base aid if the compensated absence liability fund is not terminated (i.e. HB 151 is adopted).

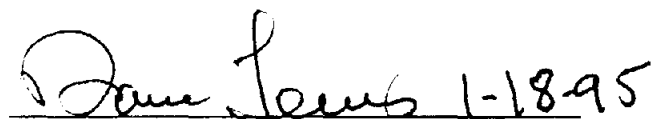
EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

School district general fund balances will be reduced slightly by this legislation. The result is less money available at the end of the school year to fund the ensuing year's budget and reduce the local property tax requirement.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The legislation allows the district to accumulate funds that are owed nonteaching and administrative employees upon termination. The legislation protects the district against incurring unfunded liabilities.

TECHNICAL NOTES:


DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning


RAY BECK, PRIMARY SPONSOR DATE

Fiscal Note for HB0151, as introduced
HB 151

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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
February 13, 1995

MR. PRESIDENT:

We, your committee on Education and Cultural Resources having had under consideration HB 151 (third reading copy -- blue), respectfully report that HB 151 be amended as follows and as so amended be concurred in.

Signed: 

Senator Toews, Chair


That such amendments read:


1. Page 1, lines 22 and 23.
Following: "(3)" on line 22
Strike: remainder of line 22 through "balance" on line 23
Insert: "The trustees may transfer money from the general fund,
within the adopted budget,"

-END-

HB 151

SENATE


Amd. Coord.
Sec. of Senate


Senator Carrying Bill

371600SC.SPV

1 HOUSE BILL NO. 151

2 INTRODUCED BY PECK, ROSE

3

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 29 WITHIN THE ADOPTED BUDGET, to establish and maintain the compensated absence liability fund.

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