

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

INTRODUCED BY Senate BILL NO. 313
Bruce Ellis

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS RELATING TO THE MONTANA UNIVERSITY SYSTEM; ALLOWING A PUBLIC SCHOOL TEACHER TO RECEIVE COMPENSATION FROM A COLLEGE OR UNIVERSITY FOR SUPERVISING STUDENT TEACHERS WHILE EMPLOYED BY A PUBLIC SCHOOL DISTRICT; ADDING A MEMBER TO THE STUDENT LOAN ADVISORY COUNCIL; CHANGING THE DATE BY WHICH A COMMUNITY COLLEGE MUST SUBMIT ITS BUDGET TO THE BOARD OF REGENTS; CHANGING THE RESIDENCY REQUIREMENT FOR MONTANA HIGH SCHOOL GRADUATES SEEKING ADMISSION TO THE MONTANA UNIVERSITY SYSTEM; MAKING CHANGES TO THE GUARANTEED STUDENT LOAN PROGRAM TO REFLECT CHANGES IN FEDERAL REGULATIONS; REMOVING THE STATUTORY LIMITATIONS ON BUILDING FEES; REMOVING THE DATE BY WHICH MONTANA EDUCATIONAL TELECOMMUNICATIONS NETWORK (METNET) FEES MUST BE DEPOSITED WITH THE COMMISSIONER OF HIGHER EDUCATION; AMENDING SECTIONS 2-2-104, 2-15-1520, 17-8-306, 20-15-312, 20-25-302, 20-25-503, 20-26-103, 20-26-1101, 20-26-1102, 20-26-1103, 20-26-1104, 20-26-1105, 20-26-1106, 20-26-1107, AND 20-32-103, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 2-2-104, MCA, is amended to read:

"2-2-104. Rules of conduct for public officers, legislators, and public employees. (1) Proof of commission of any act enumerated in this section is proof that the actor has breached the actor's public duty. A public officer, legislator, or public employee may not:

(a) disclose or use confidential information acquired in the course of official duties in order to further substantially the individual's personal economic interests; or

(b) accept a gift of substantial value or a substantial economic benefit tantamount to a gift:

(i) that would tend improperly to influence a reasonable person in the person's position to depart from the faithful and impartial discharge of the person's public duties; or

(ii) that the person knows or that a reasonable person in that position should know under the

1 circumstances is primarily for the purpose of rewarding the person for official action taken.

2 (2) An economic benefit tantamount to a gift includes without limitation a loan at a rate of interest
3 substantially lower than the commercial rate then currently prevalent for similar loans and compensation
4 received for private services rendered at a rate substantially exceeding the fair market value of the services.
5 Campaign contributions reported as required by statute are not gifts or economic benefits tantamount to
6 gifts.

7 (3) (a) Except as provided in subsection (3)(b), a public officer, legislator, or public employee may
8 not receive salaries from two separate public employment positions that overlap for the hours being
9 compensated, unless:

10 (i) the public officer, legislator, or public employee reimburses the public entity from which the
11 employee is absent for the salary paid for performing the function from which the officer, legislator, or
12 employee is absent; or

13 (ii) the public officer's, legislator's, or public employee's salary from one employer is reduced by
14 the amount of salary received from the other public employer in order to avoid duplicate compensation for
15 the overlapping hours.

16 (b) Subsection (3)(a) does not prohibit:

17 (i) a public officer, legislator, or public employee from receiving income from the use of accrued
18 leave or compensatory time during the period of overlapping employment; or

19 (ii) a public school teacher from receiving payment from a college or university for the supervision
20 of student teachers who are enrolled in a teacher education program at the college or university if the
21 supervision is performed concurrently with the school teacher's duties for a public school district.

22 (c) In order to determine compliance with this subsection (3), a public officer, legislator, or public
23 employee subject to this subsection (3) shall disclose the amounts received from the two separate public
24 employment positions to the commissioner of political practices."
25

26 **Section 2.** Section 2-15-1520, MCA, is amended to read:

27 "**2-15-1520. ~~Guaranteed student~~ Student loan advisory council -- terms -- compensation.** (1) There
28 is a student loan advisory council appointed by the board of regents.

29 (2) The council consists of ~~seven~~ eight members. Each member must be appointed for a term of
30 3 years.

1 (3) Appointments to the council must conform to the following requirements:

2 (a) One member must be a representative of a private eligible educational institution, as defined
3 in 20-26-1101.

4 (b) Two members must be representatives of a public eligible educational institution, as defined
5 in 20-26-1101.

6 (c) Two members must be representatives of approved lenders.

7 (d) One member must be a full-time student registered at an eligible educational institution, as
8 defined in 20-26-1101.

9 (e) One member, nonvoting, must be a representative of the office of the commissioner of higher
10 education.

11 (f) One member must be a representative of the nonprofit corporation designated by the governor
12 as the sole and exclusive nonprofit corporation in the state to provide a student loan acquisition program.

13 (4) A presiding officer must be selected by the council from its membership at the first meeting of
14 each fiscal year.

15 (5) Each member of the council is entitled to compensation and reimbursement for travel expenses
16 as provided in 2-15-122(5)."

17

18 **Section 3.** Section 17-8-306, MCA, is amended to read:

19 **"17-8-306. Issuance of duplicate warrant.** (1) The state treasurer may issue a duplicate warrant
20 whenever any warrant drawn by the state is lost or destroyed. This duplicate warrant must be in the same
21 form as the original, except that it must have plainly printed across its face the word "duplicate". A
22 duplicate warrant may not be issued or delivered unless the person entitled to receive it deposits with the
23 state treasurer a bond in double the amount for which the duplicate warrant is issued indemnifying the state
24 and its officers and employees from any loss resulting from the issuance of the duplicate warrant.

25 (2) A bond of indemnity is not required when:

26 (a) the payee is the United States government, a state of the United States, any agency,
27 instrumentality, or officer of the United States government or of a state, county, city, city and county,
28 town, district, or other political subdivision of a state or any officer ~~thereof~~ of a political subdivision;

29 (b) the owner or custodian is the state of Montana or ~~any~~ an agency or officer of the state;

30 (c) the owner or custodian is a bank, savings and loan association, admitted insurer, or trust

1 company whose financial condition is regulated by the United States government or by the state of
2 Montana;

3 (d) the state treasurer has chosen to waive the requirement upon receipt of evidence that the
4 original warrant has been lost or destroyed as a result of a disaster or other major occurrence;

5 (e) the amount of the lost or destroyed warrant is less than \$300;

6 (f) it can be established that a crime has been committed and that as a result a Montana warrant
7 has been stolen or destroyed;

8 (g) it can be established that a Montana warrant has been mailed to an incorrect payee;

9 (h) the payee is a vendor or contractor doing business with the state of Montana;

10 (i) the payee is a recipient of public assistance under Title 53;

11 (j) the payee is a recipient of a monthly annuity under Title 19;

12 (k) the payee is a recipient of student financial assistance administered or insured by the
13 ~~guaranteed~~ student loan program pursuant to Title 20, chapter 26; or

14 (l) a state agency approves the issuance of the duplicate warrant and agrees to assume the risk
15 of the original warrant being cashed.

16 (3) Whenever the owner or custodian applies under the provisions of subsection (2)(d), (2)(f),
17 (2)(g), (2)(h), (2)(i), (2)(j), (2)(k), or (2)(l), a stop-payment order must be placed on the original warrant by
18 the state treasurer.

19 (4) Whenever the owner or custodian applies under the provisions of subsection (2)(c), (2)(d),
20 (2)(e), (2)(f), (2)(g), (2)(h), (2)(i), (2)(j), (2)(k), or (2)(l), the application must include an agreement to
21 indemnify the state and its officers and employees from any loss resulting from the issuance of a duplicate
22 warrant. Any loss incurred in connection with the issuance of a duplicate warrant must be charged against
23 the account from which the payment was derived."
24

25 **Section 4.** Section 20-15-312, MCA, is amended to read:

26 **"20-15-312. Calculation and approval of operating budget.** (1) Annually by ~~June 15~~ September
27 1, the board of trustees of a community college shall submit an operating budget to the board of regents
28 for their review. The operating budget of the community college must be financed in the following manner:

29 (a) The general fund appropriation must represent a specific percentage of the budget amount per
30 full-time equivalent student, as determined by the legislature. This percentage must be specified in the

1 appropriations act appropriating funds to the community colleges for each biennium. This percentage does
2 not apply to any portion of the unrestricted budget in excess of the budget amount per full-time equivalent
3 student, as determined by the legislature.

4 (b) The mandatory levy amount must represent a specific percentage of the budget amount per
5 full-time equivalent student, as determined by the legislature. This percentage must be specified for each
6 community college by the board of trustees of the district and approved by the board of regents.

7 (c) The funding obtained in subsections (1)(a) and (1)(b) plus the revenue derived from tuition and
8 fee schedules approved by the board of regents and unrestricted income from any other source is the
9 amount of the unrestricted budget. A detailed expenditure schedule for the unrestricted budget must be
10 submitted to the board of regents for their review and approval.

11 (d) The amount estimated to be raised by the voted levy must be detailed separately in an
12 expenditure schedule.

13 (e) The spending of each restricted funding source ~~shall~~ must be detailed separately in an
14 expenditure schedule.

15 (f) The expenditure schedules provided in subsections (1)(c) through (1)(e) represent the total
16 operating budget of the community college.

17 (2) The board of regents shall review the proposed total operating budget and all its components
18 and make any changes it determines necessary. The board of trustees of a community college district shall
19 operate within the limits of the operating budget approved by the board of regents."
20

21 **Section 5.** Section 20-25-302, MCA, is amended to read:

22 **"20-25-302. Revenue-producing facilities -- powers of regents.** The regents of the Montana
23 university system may:

24 (1) purchase, construct, equip, or improve, at any unit of the Montana university system, any of
25 the following types of revenue-producing facilities:

26 (a) land;

27 (b) residence halls, dormitories, houses, apartments, and other housing facilities;

28 (c) dining rooms and halls, restaurants, cafeterias, and other food service facilities;

29 (d) student union buildings and facilities; and

30 (e) those other facilities specifically authorized by joint resolution of the legislature;

1 (2) rent housing facilities and provide food and other services to the students, officers, guests, and
 2 employees of the unit at rates that will ensure a reasonable net income over operating expenses and will
 3 provide for debt service and reserves and provide for the collection of charges, admissions, and fees for
 4 the use of other facilities by students and other persons, ~~which~~ The charges, admissions, and fees ~~shall~~
 5 ~~are not be deemed to be considered~~ tuition within the meaning of 20-25-421 and may be collected from
 6 any or all students. ~~Student building fees established and in effect on January 1, 1965, which are imposed~~
 7 ~~uniformly upon all students or upon all of a specified class of students in attendance at any unit of the~~
 8 ~~Montana university system shall not be increased without authorization by law unless absolutely necessary~~
 9 ~~and then only to the extent necessary to pay principal or interest due on obligations for which such fees~~
 10 ~~have been or shall be pledged or to maintain reserves securing the payment of such obligations in~~
 11 ~~accordance with the indentures, resolutions, contracts, or other instruments authorizing the issuance of~~
 12 ~~such obligations; provided that at any unit of the Montana university system where the aggregate amount~~
 13 ~~of student building fees in effect on January 1, 1965, was less than \$50 per student per academic year,~~
 14 ~~such fees may be increased or additional student building fees may be established to an aggregate amount~~
 15 ~~not exceeding \$50 per student per academic year and provided further that additional student building fees~~
 16 ~~may be established or existing student building fees may be increased at the university of Montana-Missoula~~
 17 ~~to an aggregate amount not to exceed \$90 per student per academic year. This limitation shall not affect~~
 18 ~~admission or use charges which are made to individual students or others in proportion to their use or~~
 19 ~~occupancy of particular facilities or services and shall not affect any student building fees or other charges~~
 20 ~~which are made pursuant to 20-25-421 for nonresident students.~~

21 (3) hold the net income derived from the operation of ~~such~~ the facilities and the charges,
 22 admissions, and fees ~~so~~ collected and devote the ~~revenues~~ revenue from these sources to debt service and
 23 reserves, repairs, replacements, and betterments of the facilities or, so far as ~~such~~ the ~~revenues~~ revenue has
 24 revenue ~~has~~ not been previously obligated for these purposes, to the acquisition, erection, equipping,
 25 enlarging, or improvement of additional facilities of the types described in this section;

26 (4) exercise full control and complete management of ~~such~~ the facilities;

27 (5) rent the facilities to other public or private persons, firms, and corporations for ~~such~~ uses, at
 28 ~~such~~ times, for ~~such~~ periods, and at ~~such~~ rates as in the regents' judgment will be consistent with the full
 29 use ~~thereof~~ of the facilities for academic purposes and will add to the ~~revenues~~ revenue available for capital
 30 costs and debt service;

1 (6) do all things necessary to plan for and propose financing, including all necessary loan
2 applications, for:

3 (a) classroom, laboratory, library, bookstore, and other instructional facilities;

4 (b) office, recordkeeping, storage, equipment maintenance, and other administrative and operational
5 facilities;

6 (c) stadiums, fieldhouses, armories, arenas, gymnasiums, swimming pools, and other facilities for
7 athletic and military instruction, exhibitions, games, and contests;

8 (d) auditoriums, theaters, music halls, and other assembly, theatrical, musical, and entertainment
9 facilities;

10 (e) hospital, nursing, and other health instruction and service facilities;

11 (f) nurseries, barns, arenas, pavilions, and other facilities for agricultural and livestock breeding,
12 development, and exhibition;

13 (g) parking lots and ramps and other parking facilities; and

14 (h) land needed for ~~such~~ the facilities."

15

16 **Section 6.** Section 20-25-503, MCA, is amended to read:

17 **"20-25-503. Presumptions and rules as to domicile.** (1) Unless the contrary appears to the unit
18 registering authority, it is presumed the domicile of a minor is that:

19 (a) of the parents or, if one of them is deceased or they do not share the same domicile, of the
20 parent having legal custody or, if neither parent has legal custody, the parent with whom the minor
21 customarily resides; or

22 (b) of the minor's guardian when the court appointing the guardian certifies that the primary
23 purpose of the appointment is not to qualify the minor as a resident of this state.

24 (2) A resident student who marries a nonresident does not by that fact alone lose resident status
25 for tuition and fee purposes for a period of 4 years after marriage.

26 (3) Residence is not lost because of relocation as a member of the armed forces of the United
27 States.

28 (4) A new domicile is established by a qualified person if the person is physically present in
29 Montana with no intention to acquire a domicile outside of Montana.

30 (5) Domicile is not lost by absence from Montana with no intention to establish a new domicile.

1 (6) Montana high school graduates who are citizens or resident aliens of the United States are
2 resident students of the system for 4 consecutive years of attendance if:

3 (a) they apply for admittance to the system within 1 year after graduation; ~~or~~ and

4 (b) their parents or the parent having legal custody or, if neither parent has legal custody, the
5 parent with whom they customarily reside has resided in Montana in one of the 2 years immediately
6 preceding the graduation.

7 (7) Upon moving to Montana, an adult employed on a full-time basis within the state of Montana
8 may apply for in-state tuition classification for the adult's spouse or any dependent minor child, or both.
9 If the person meets the requirement of full-time employment within the state of Montana and files for the
10 payment of Montana state income taxes or files estimates of those taxes or is subject to withholding of
11 those taxes and renounces residency in any other state and is not in the state primarily as a student, the
12 person's spouse or any dependent minor child, or both, may at the next registration after qualifying be
13 classified at the in-state rate so long as the person continues a Montana domicile. In the administration of
14 this subsection, neither the full-time employee or spouse is eligible for in-state tuition classification if the
15 primary purpose for coming to Montana was the education of the employee or spouse."
16

17 **Section 7.** Section 20-26-103, MCA, is amended to read:

18 **"20-26-103. Definitions.** As used in parts 1 and 2, the following definitions apply:

19 (1) "Postsecondary institution" includes the units of the university system and any postsecondary
20 institution accredited or licensed under chapter 30 of this title.

21 (2) "Program advisory council" means the ~~guaranteed~~ student loan advisory council created by
22 2-15-1520.

23 (3) "Resident student" means a person who was a resident of Montana prior to enrolling and who
24 is attending a qualified postsecondary institution within Montana."
25

26 **Section 8.** Section 20-26-1101, MCA, is amended to read:

27 **"20-26-1101. Definitions.** As used in this part, unless the context clearly indicates otherwise, the
28 following definitions apply:

29 (1) ~~"Board" means the board of regents of higher education.~~

30 (2) ~~"Corporation"~~ "Agency" means the ~~corporation~~ entity designated by the board to administer

1 student loans.

2 (2) "Board" means the board of regents of higher education.

3 (3) "Council" means the ~~guaranteed~~ student loan advisory council established in 2-15-1520.

4 (4) "Eligible educational institution" means any institution approved by the United States
5 ~~commissioner~~ secretary of education as eligible to participate in the ~~guaranteed~~ student loan program
6 pursuant to Title IV of the Higher Education Act of 1965, as amended.

7 (5) "Eligible lender" means any lender as defined under Title IV of the Higher Education Act of
8 1965, as amended.

9 ~~(5)(6) "Guaranteed student~~ "Student loan program" means the program established by the board
10 pursuant to this part."

11

12 **Section 9.** Section 20-26-1102, MCA, is amended to read:

13 **"20-26-1102. Authorization to establish ~~guaranteed~~ student loan program.** (1) The board may
14 establish and contract for the operation of a ~~guaranteed~~ student loan program ~~for the purpose of making~~
15 to make available to students improved opportunities for education by guaranteeing loans in accordance
16 with applicable federal law to persons attending or accepted for enrollment at an eligible educational
17 institution.

18 (2) The board is designated as the state representative for receiving federal, public, or private
19 money that is now or will be made available under any act of the congress of the United States or
20 otherwise for purposes of ~~the guaranteed~~ a student loan program."

21

22 **Section 10.** Section 20-26-1103, MCA, is amended to read:

23 **"20-26-1103. Duties of the board.** In discharging its duties in relation to the ~~guaranteed~~ student
24 loan program, the board shall:

25 (1) act as guarantor and administrator on loans of money, upon terms and conditions as the board
26 may prescribe, to assist persons attending or accepted for enrollment at an eligible educational institution
27 to meet their educational expenses;

28 (2) approve financial or credit institutions, ~~insurance companies,~~ or other lenders as eligible lenders
29 upon their meeting the standards established by the board for making ~~guaranteed~~ student loans;

30 (3) incur and discharge debts, including defaulted loan obligations that have been guaranteed by

1 the board;

2 (4) make and execute agreements, contracts, and other instruments with any public or private
3 person or agency, including the United States ~~commissioner~~ secretary of education, for the administration
4 of the ~~guaranteed~~ student loan program;

5 (5) ~~contract with a corporation~~ provide for the operation of the ~~guaranteed~~ student loan program
6 to ~~provide~~ conduct loan approval processing, essential and special loan servicing, preclaims assistance,
7 supplemental preclaims assistance, claim processing and collections, and other services that would promote
8 lender and school participation and loan availability to students;

9 (6) perform any other duties necessary for the administration of the ~~guaranteed~~ student loan
10 program."

11

12 **Section 11.** Section 20-26-1104, MCA, is amended to read:

13 **"20-26-1104. Student loan advisory council -- duties.** The council shall:

14 (1) advise the board on policies, rules, and procedures necessary for accomplishing the provisions
15 of this part; and

16 ~~(2) make recommendations to the board concerning the designation of a corporation;~~

17 ~~(3)~~(2) monitor the ~~corporation~~ program to ~~assure~~ ensure that ~~both~~ the students, schools, and
18 lenders are adequately served; ~~and~~

19 ~~(4) advise on the adequacy and proper execution of any contracts entered into between the board~~
20 ~~and the corporation."~~

21

22 **Section 12.** Section 20-26-1105, MCA, is amended to read:

23 **"20-26-1105. ~~Guaranteed student~~ Student loan account.** (1) There is a ~~guaranteed~~ student loan
24 account within the federal special revenue fund provided for in 17-2-102.

25 (2) The board shall credit to the account established in subsection (1) all money designated for the
26 ~~guaranteed~~ student loan program by the United States or by any other public or private source. All
27 expenses incurred by the board in connection with the ~~guaranteed~~ student loan program, including principal
28 and interest payments required because of loan defaults, must be charged against the account.

29 (3) Money in the account not needed to meet current obligations of the board in the exercise of
30 its responsibilities as guarantor and administrator, as provided for in this part, must be invested in

1 accordance with the provisions of Title 17, chapter 6. Interest proceeds must be credited to the account.

2 (4) Money on deposit in the ~~guaranteed~~ student loan account ~~shall~~ may not revert to the general
3 fund at the close of any fiscal year."

4

5 **Section 13.** Section 20-26-1106, MCA, is amended to read:

6 "**20-26-1106. No state obligation.** The legislature is not obligated to appropriate any money to pay
7 for ~~guaranteed~~ student loan defaults. For the purpose of the ~~guaranteed~~ student loan program, neither the
8 board nor the ~~nonprofit corporation~~ agency may obligate the credit of the state."

9

10 **Section 14.** Section 20-26-1107, MCA, is amended to read:

11 "**20-26-1107. Dissolution -- disposition of money.** (1) The ~~guaranteed~~ student loan program may
12 not be dissolved until all contractual obligations have been satisfied and all loans ~~guaranteed~~ have been paid
13 by the borrower or, if in default, by the board or have been otherwise accounted for under Title IV of the
14 Higher Education Act of 1965, as amended.

15 (2) Upon dissolution of the program or the cessation of the program's activities, all property and
16 money of the board relating to the ~~guaranteed~~ student loan program not refundable to the federal
17 government as provided by law vest in the state and ~~shall~~ must be credited to the general fund."

18

19 **Section 15.** Section 20-32-103, MCA, is amended to read:

20 "**20-32-103. Fee collection and disposition for operational costs.** As a condition of participation
21 in the network, the Montana university system and community colleges shall collect from appropriate
22 discretionary funds in a manner approved by the board of regents an amount not to exceed \$5 for each
23 full-time equivalent student enrolled in the units or colleges. The funds collected must be deposited with
24 the commissioner of higher education ~~by July 1~~ for the purposes of 20-32-102(4). The commissioner of
25 higher education shall pay the department of administration the commissioner's share of the network
26 costs."

27

28 **NEW SECTION. Section 16. Effective date.** [This act] is effective July 1, 1997.

29

-END-

STATE OF MONTANA - FISCAL NOTE

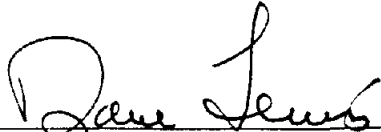
Fiscal Note for SB0313, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act generally revising the laws relating to the Montana University System; allowing a public school teacher to receive compensation from a college or university for supervising student teachers while employed by a public school district; adding a member to the student loan advisory council; changing the date by which a community college must submit its budget to the board of regents; changing the residency requirement for Montana high school graduates seeking admission to the Montana University System; making changes to the guaranteed student loan program to reflect changes in federal regulations; removing the statutory limitations on building fees; removing the date by which Montana education telecommunications network (METNET) fees must be deposited with the commissioner of higher education.

ASSUMPTIONS:

1. SB 313 will allow a school teacher to receive payment from a college or university for the supervision of student teachers who are enrolled in a teacher education program if the supervision is performed concurrently with the school teacher's duties for a public school district.
2. SB 313 will not reduce a school district's contractual obligations with its teachers.
3. The Montana University system has historically made these payments to teachers.
4. The current residency status policy of the Board of Regents is not the same as the current statute. The change in statute in SB313 will bring the statute to match the residency status policy of the Board of Regents.

FISCAL IMPACT: None.


DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning 2-13-97


VIVIAN BROOKE, PRIMARY SPONSOR DATE
2/13/97

Fiscal Note for SB0313, as introduced

SB 313

APPROVED BY COM ON EDUCATION
AND CULTURAL RESOURCES

1
2 INTRODUCED BY Senate BILL NO. 313
3 Brande Ellis

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS RELATING TO THE
5 MONTANA UNIVERSITY SYSTEM; ALLOWING A PUBLIC SCHOOL TEACHER TO RECEIVE COMPENSATION
6 FROM A COLLEGE OR UNIVERSITY FOR SUPERVISING STUDENT TEACHERS WHILE EMPLOYED BY A
7 PUBLIC SCHOOL DISTRICT; ADDING A MEMBER TO THE STUDENT LOAN ADVISORY COUNCIL;
8 CHANGING THE DATE BY WHICH A COMMUNITY COLLEGE MUST SUBMIT ITS BUDGET TO THE BOARD
9 OF REGENTS; CHANGING THE RESIDENCY REQUIREMENT FOR MONTANA HIGH SCHOOL GRADUATES
10 SEEKING ADMISSION TO THE MONTANA UNIVERSITY SYSTEM; MAKING CHANGES TO THE
11 GUARANTEED STUDENT LOAN PROGRAM TO REFLECT CHANGES IN FEDERAL REGULATIONS;
12 REMOVING THE STATUTORY LIMITATIONS ON BUILDING FEES; REMOVING THE DATE BY WHICH
13 MONTANA EDUCATIONAL TELECOMMUNICATIONS NETWORK (METNET) FEES MUST BE DEPOSITED
14 WITH THE COMMISSIONER OF HIGHER EDUCATION; AMENDING SECTIONS 2-2-104, 2-15-1520,
15 17-8-306, 20-15-312, 20-25-302, 20-25-503, 20-26-103, 20-26-1101, 20-26-1102, 20-26-1103,
16 20-26-1104, 20-26-1105, 20-26-1106, 20-26-1107, AND 20-32-103, MCA; AND PROVIDING AN
17 EFFECTIVE DATE."

18
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE
REPRINTED. PLEASE REFER TO INTRODUCED COPY
(WHITE) FOR COMPLETE TEXT.**

1
2 INTRODUCED BY Bruce Ellis ^{Senate} BILL NO. 313
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS RELATING TO THE
5 MONTANA UNIVERSITY SYSTEM; ALLOWING A PUBLIC SCHOOL TEACHER TO RECEIVE COMPENSATION
6 FROM A COLLEGE OR UNIVERSITY FOR SUPERVISING STUDENT TEACHERS WHILE EMPLOYED BY A
7 PUBLIC SCHOOL DISTRICT; ADDING A MEMBER TO THE STUDENT LOAN ADVISORY COUNCIL;
8 CHANGING THE DATE BY WHICH A COMMUNITY COLLEGE MUST SUBMIT ITS BUDGET TO THE BOARD
9 OF REGENTS; CHANGING THE RESIDENCY REQUIREMENT FOR MONTANA HIGH SCHOOL GRADUATES
10 SEEKING ADMISSION TO THE MONTANA UNIVERSITY SYSTEM; MAKING CHANGES TO THE
11 GUARANTEED STUDENT LOAN PROGRAM TO REFLECT CHANGES IN FEDERAL REGULATIONS;
12 REMOVING THE STATUTORY LIMITATIONS ON BUILDING FEES; REMOVING THE DATE BY WHICH
13 MONTANA EDUCATIONAL TELECOMMUNICATIONS NETWORK (METNET) FEES MUST BE DEPOSITED
14 WITH THE COMMISSIONER OF HIGHER EDUCATION; AMENDING SECTIONS 2-2-104, 2-15-1520,
15 17-8-306, 20-15-312, 20-25-302, 20-25-503, 20-26-103, 20-26-1101, 20-26-1102, 20-26-1103,
16 20-26-1104, 20-26-1105, 20-26-1106, 20-26-1107, AND 20-32-103, MCA; AND PROVIDING AN
17 EFFECTIVE DATE."
18
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE
REPRINTED. PLEASE REFER TO INTRODUCED COPY
(WHITE) FOR COMPLETE TEXT.**

APPROVED BY COM ON
EDUCATION1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19INTRODUCED BY Senate Ellis BILL NO. 313

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS RELATING TO THE MONTANA UNIVERSITY SYSTEM; ALLOWING A PUBLIC SCHOOL TEACHER TO RECEIVE COMPENSATION FROM A COLLEGE OR UNIVERSITY FOR SUPERVISING STUDENT TEACHERS WHILE EMPLOYED BY A PUBLIC SCHOOL DISTRICT; ADDING A MEMBER TO THE STUDENT LOAN ADVISORY COUNCIL; CHANGING THE DATE BY WHICH A COMMUNITY COLLEGE MUST SUBMIT ITS BUDGET TO THE BOARD OF REGENTS; CHANGING THE RESIDENCY REQUIREMENT FOR MONTANA HIGH SCHOOL GRADUATES SEEKING ADMISSION TO THE MONTANA UNIVERSITY SYSTEM; MAKING CHANGES TO THE GUARANTEED STUDENT LOAN PROGRAM TO REFLECT CHANGES IN FEDERAL REGULATIONS; REMOVING THE STATUTORY LIMITATIONS ON BUILDING FEES; REMOVING THE DATE BY WHICH MONTANA EDUCATIONAL TELECOMMUNICATIONS NETWORK (METNET) FEES MUST BE DEPOSITED WITH THE COMMISSIONER OF HIGHER EDUCATION; AMENDING SECTIONS 2-2-104, 2-15-1520, 17-8-306, 20-15-312, 20-25-302, 20-25-503, 20-26-103, 20-26-1101, 20-26-1102, 20-26-1103, 20-26-1104, 20-26-1105, 20-26-1106, 20-26-1107, AND 20-32-103, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE REPRINTED. PLEASE REFER TO INTRODUCED COPY (WHITE) FOR COMPLETE TEXT.

1 SENATE BILL NO. 313

2 INTRODUCED BY BROOKE, ELLIS

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS RELATING TO THE
5 MONTANA UNIVERSITY SYSTEM; ALLOWING A PUBLIC SCHOOL TEACHER TO RECEIVE COMPENSATION
6 FROM A COLLEGE OR UNIVERSITY FOR SUPERVISING STUDENT TEACHERS WHILE EMPLOYED BY A
7 PUBLIC SCHOOL DISTRICT; ADDING A MEMBER TO THE STUDENT LOAN ADVISORY COUNCIL;
8 CHANGING THE DATE BY WHICH A COMMUNITY COLLEGE MUST SUBMIT ITS BUDGET TO THE BOARD
9 OF REGENTS; CHANGING THE RESIDENCY REQUIREMENT FOR MONTANA HIGH SCHOOL GRADUATES
10 SEEKING ADMISSION TO THE MONTANA UNIVERSITY SYSTEM; MAKING CHANGES TO THE
11 GUARANTEED STUDENT LOAN PROGRAM TO REFLECT CHANGES IN FEDERAL REGULATIONS;
12 REMOVING THE STATUTORY LIMITATIONS ON BUILDING FEES; REMOVING THE DATE BY WHICH
13 MONTANA EDUCATIONAL TELECOMMUNICATIONS NETWORK (METNET) FEES MUST BE DEPOSITED
14 WITH THE COMMISSIONER OF HIGHER EDUCATION; AMENDING SECTIONS 2-2-104, 2-15-1520,
15 17-8-306, 20-15-312, 20-25-302, 20-25-503, 20-26-103, 20-26-1101, 20-26-1102, 20-26-1103,
16 20-26-1104, 20-26-1105, 20-26-1106, 20-26-1107, AND 20-32-103, MCA; AND PROVIDING AN
17 EFFECTIVE DATE."

18

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

20

21 **Section 1.** Section 2-2-104, MCA, is amended to read:

22 **"2-2-104. Rules of conduct for public officers, legislators, and public employees.** (1) Proof of
23 commission of any act enumerated in this section is proof that the actor has breached the actor's public
24 duty. A public officer, legislator, or public employee may not:

25 (a) disclose or use confidential information acquired in the course of official duties in order to
26 further substantially the individual's personal economic interests; or

27 (b) accept a gift of substantial value or a substantial economic benefit tantamount to a gift:

28 (i) that would tend improperly to influence a reasonable person in the person's position to depart
29 from the faithful and impartial discharge of the person's public duties; or

30 (ii) that the person knows or that a reasonable person in that position should know under the

1 circumstances is primarily for the purpose of rewarding the person for official action taken.

2 (2) An economic benefit tantamount to a gift includes without limitation a loan at a rate of interest
3 substantially lower than the commercial rate then currently prevalent for similar loans and compensation
4 received for private services rendered at a rate substantially exceeding the fair market value of the services.
5 Campaign contributions reported as required by statute are not gifts or economic benefits tantamount to
6 gifts.

7 (3) (a) Except as provided in subsection (3)(b), a public officer, legislator, or public employee may
8 not receive salaries from two separate public employment positions that overlap for the hours being
9 compensated, unless:

10 (i) the public officer, legislator, or public employee reimburses the public entity from which the
11 employee is absent for the salary paid for performing the function from which the officer, legislator, or
12 employee is absent; or

13 (ii) the public officer's, legislator's, or public employee's salary from one employer is reduced by
14 the amount of salary received from the other public employer in order to avoid duplicate compensation for
15 the overlapping hours.

16 (b) Subsection (3)(a) does not prohibit:

17 (i) a public officer, legislator, or public employee from receiving income from the use of accrued
18 leave or compensatory time during the period of overlapping employment; or

19 (ii) a public school teacher from receiving payment from a college or university for the supervision
20 of student teachers who are enrolled in a teacher education program at the college or university if the
21 supervision is performed concurrently with the school teacher's duties for a public school district.

22 (c) In order to determine compliance with this subsection (3), a public officer, legislator, or public
23 employee subject to this subsection (3) shall disclose the amounts received from the two separate public
24 employment positions to the commissioner of political practices."

25

26 **Section 2.** Section 2-15-1520, MCA, is amended to read:

27 **"2-15-1520. ~~Guaranteed student~~ Student loan advisory council -- terms -- compensation.** (1) There
28 is a student loan advisory council appointed by the board of regents.

29 (2) The council consists of ~~seven~~ eight members. Each member must be appointed for a term of
30 3 years.

1 (3) Appointments to the council must conform to the following requirements:

2 (a) One member must be a representative of a private eligible educational institution, as defined
3 in 20-26-1101.

4 (b) Two members must be representatives of a public eligible educational institution, as defined
5 in 20-26-1101.

6 (c) Two members must be representatives of approved lenders.

7 (d) One member must be a full-time student registered at an eligible educational institution, as
8 defined in 20-26-1101.

9 (e) One member, nonvoting, must be a representative of the office of the commissioner of higher
10 education.

11 (f) One member must be a representative of the nonprofit corporation designated by the governor
12 as the sole and exclusive nonprofit corporation in the state to provide a student loan acquisition program.

13 (4) A presiding officer must be selected by the council from its membership at the first meeting of
14 each fiscal year.

15 (5) Each member of the council is entitled to compensation and reimbursement for travel expenses
16 as provided in 2-15-122(5)."

17

18 **Section 3.** Section 17-8-306, MCA, is amended to read:

19 **"17-8-306. Issuance of duplicate warrant.** (1) The state treasurer may issue a duplicate warrant
20 whenever any warrant drawn by the state is lost or destroyed. This duplicate warrant must be in the same
21 form as the original, except that it must have plainly printed across its face the word "duplicate". A
22 duplicate warrant may not be issued or delivered unless the person entitled to receive it deposits with the
23 state treasurer a bond in double the amount for which the duplicate warrant is issued indemnifying the state
24 and its officers and employees from any loss resulting from the issuance of the duplicate warrant.

25 (2) A bond of indemnity is not required when:

26 (a) the payee is the United States government, a state of the United States, any agency,
27 instrumentality, or officer of the United States government or of a state, county, city, city and county,
28 town, district, or other political subdivision of a state or any officer ~~thereof~~ of a political subdivision;

29 (b) the owner or custodian is the state of Montana or ~~any~~ an agency or officer of the state;

30 (c) the owner or custodian is a bank, savings and loan association, admitted insurer, or trust

1 company whose financial condition is regulated by the United States government or by the state of
2 Montana;

3 (d) the state treasurer has chosen to waive the requirement upon receipt of evidence that the
4 original warrant has been lost or destroyed as a result of a disaster or other major occurrence;

5 (e) the amount of the lost or destroyed warrant is less than \$300;

6 (f) it can be established that a crime has been committed and that as a result a Montana warrant
7 has been stolen or destroyed;

8 (g) it can be established that a Montana warrant has been mailed to an incorrect payee;

9 (h) the payee is a vendor or contractor doing business with the state of Montana;

10 (i) the payee is a recipient of public assistance under Title 53;

11 (j) the payee is a recipient of a monthly annuity under Title 19;

12 (k) the payee is a recipient of student financial assistance administered or insured by the
13 ~~guaranteed~~ student loan program pursuant to Title 20, chapter 26; or

14 (l) a state agency approves the issuance of the duplicate warrant and agrees to assume the risk
15 of the original warrant being cashed.

16 (3) Whenever the owner or custodian applies under the provisions of subsection (2)(d), (2)(f),
17 (2)(g), (2)(h), (2)(i), (2)(j), (2)(k), or (2)(l), a stop-payment order must be placed on the original warrant by
18 the state treasurer.

19 (4) Whenever the owner or custodian applies under the provisions of subsection (2)(c), (2)(d),
20 (2)(e), (2)(f), (2)(g), (2)(h), (2)(i), (2)(j), (2)(k), or (2)(l), the application must include an agreement to
21 indemnify the state and its officers and employees from any loss resulting from the issuance of a duplicate
22 warrant. Any loss incurred in connection with the issuance of a duplicate warrant must be charged against
23 the account from which the payment was derived."
24

25 **Section 4.** Section 20-15-312, MCA, is amended to read:

26 **"20-15-312. Calculation and approval of operating budget.** (1) Annually by ~~June 15~~ September
27 1, the board of trustees of a community college shall submit an operating budget to the board of regents
28 for their review. The operating budget of the community college must be financed in the following manner:

29 (a) The general fund appropriation must represent a specific percentage of the budget amount per
30 full-time equivalent student, as determined by the legislature. This percentage must be specified in the

1 appropriations act appropriating funds to the community colleges for each biennium. This percentage does
2 not apply to any portion of the unrestricted budget in excess of the budget amount per full-time equivalent
3 student, as determined by the legislature.

4 (b) The mandatory levy amount must represent a specific percentage of the budget amount per
5 full-time equivalent student, as determined by the legislature. This percentage must be specified for each
6 community college by the board of trustees of the district and approved by the board of regents.

7 (c) The funding obtained in subsections (1)(a) and (1)(b) plus the revenue derived from tuition and
8 fee schedules approved by the board of regents and unrestricted income from any other source is the
9 amount of the unrestricted budget. A detailed expenditure schedule for the unrestricted budget must be
10 submitted to the board of regents for their review and approval.

11 (d) The amount estimated to be raised by the voted levy must be detailed separately in an
12 expenditure schedule.

13 (e) The spending of each restricted funding source ~~shall~~ must be detailed separately in an
14 expenditure schedule.

15 (f) The expenditure schedules provided in subsections (1)(c) through (1)(e) represent the total
16 operating budget of the community college.

17 (2) The board of regents shall review the proposed total operating budget and all its components
18 and make any changes it determines necessary. The board of trustees of a community college district shall
19 operate within the limits of the operating budget approved by the board of regents."

20

21 **Section 5.** Section 20-25-302, MCA, is amended to read:

22 **"20-25-302. Revenue-producing facilities -- powers of regents.** The regents of the Montana
23 university system may:

24 (1) purchase, construct, equip, or improve, at any unit of the Montana university system, any of
25 the following types of revenue-producing facilities:

26 (a) land;

27 (b) residence halls, dormitories, houses, apartments, and other housing facilities;

28 (c) dining rooms and halls, restaurants, cafeterias, and other food service facilities;

29 (d) student union buildings and facilities; and

30 (e) those other facilities specifically authorized by joint resolution of the legislature;

1 (2) rent housing facilities and provide food and other services to the students, officers, guests, and
 2 employees of the unit at rates that will ensure a reasonable net income over operating expenses and will
 3 provide for debt service and reserves and provide for the collection of charges, admissions, and fees for
 4 the use of other facilities by students and other persons, ~~which~~ The charges, admissions, and fees ~~shall~~
 5 are not be deemed to be considered tuition within the meaning of 20-25-421 and may be collected from
 6 any or all students. ~~Student building fees established and in effect on January 1, 1965, which are imposed~~
 7 ~~uniformly upon all students or upon all of a specified class of students in attendance at any unit of the~~
 8 ~~Montana university system shall not be increased without authorization by law unless absolutely necessary~~
 9 ~~and then only to the extent necessary to pay principal or interest due on obligations for which such fees~~
 10 ~~have been or shall be pledged or to maintain reserves securing the payment of such obligations in~~
 11 ~~accordance with the indentures, resolutions, contracts, or other instruments authorizing the issuance of~~
 12 ~~such obligations; provided that at any unit of the Montana university system where the aggregate amount~~
 13 ~~of student building fees in effect on January 1, 1965, was less than \$50 per student per academic year,~~
 14 ~~such fees may be increased or additional student building fees may be established to an aggregate amount~~
 15 ~~not exceeding \$50 per student per academic year and provided further that additional student building fees~~
 16 ~~may be established or existing student building fees may be increased at the university of Montana-Missoula~~
 17 ~~to an aggregate amount not to exceed \$90 per student per academic year. This limitation shall not affect~~
 18 ~~admission or use charges which are made to individual students or others in proportion to their use or~~
 19 ~~occupancy of particular facilities or services and shall not affect any student building fees or other charges~~
 20 ~~which are made pursuant to 20-25-421 for nonresident students.~~

21 (3) hold the net income derived from the operation of ~~such~~ the facilities and the charges,
 22 admissions, and fees ~~so~~ collected and devote the ~~revenues~~ revenue from these sources to debt service and
 23 reserves, repairs, replacements, and betterments of the facilities or, so far as ~~such~~ the ~~revenues have~~
 24 revenue has not been previously obligated for these purposes, to the acquisition, erection, equipping,
 25 enlarging, or improvement of additional facilities of the types described in this section;

26 (4) exercise full control and complete management of ~~such~~ the facilities;

27 (5) rent the facilities to other public or private persons, firms, and corporations for ~~such~~ uses, at
 28 ~~such~~ times, for ~~such~~ periods, and at ~~such~~ rates as in the regents' judgment will be consistent with the full
 29 use ~~thereof~~ of the facilities for academic purposes and will add to the ~~revenues~~ revenue available for capital
 30 costs and debt service;

1 (6) do all things necessary to plan for and propose financing, including all necessary loan
2 applications, for:

3 (a) classroom, laboratory, library, bookstore, and other instructional facilities;

4 (b) office, recordkeeping, storage, equipment maintenance, and other administrative and operational
5 facilities;

6 (c) stadiums, fieldhouses, armories, arenas, gymnasiums, swimming pools, and other facilities for
7 athletic and military instruction, exhibitions, games, and contests;

8 (d) auditoriums, theaters, music halls, and other assembly, theatrical, musical, and entertainment
9 facilities;

10 (e) hospital, nursing, and other health instruction and service facilities;

11 (f) nurseries, barns, arenas, pavilions, and other facilities for agricultural and livestock breeding,
12 development, and exhibition;

13 (g) parking lots and ramps and other parking facilities; and

14 (h) land needed for ~~such~~ the facilities.”

15

16 **Section 6.** Section 20-25-503, MCA, is amended to read:

17 **"20-25-503. Presumptions and rules as to domicile.** (1) Unless the contrary appears to the unit
18 registering authority, it is presumed the domicile of a minor is that:

19 (a) of the parents or, if one of them is deceased or they do not share the same domicile, of the
20 parent having legal custody or, if neither parent has legal custody, the parent with whom the minor
21 customarily resides; or

22 (b) of the minor’s guardian when the court appointing the guardian certifies that the primary
23 purpose of the appointment is not to qualify the minor as a resident of this state.

24 (2) A resident student who marries a nonresident does not by that fact alone lose resident status
25 for tuition and fee purposes for a period of 4 years after marriage.

26 (3) Residence is not lost because of relocation as a member of the armed forces of the United
27 States.

28 (4) A new domicile is established by a qualified person if the person is physically present in
29 Montana with no intention to acquire a domicile outside of Montana.

30 (5) Domicile is not lost by absence from Montana with no intention to establish a new domicile.

1 (6) Montana high school graduates who are citizens or resident aliens of the United States are
2 resident students of the system for 4 consecutive years of attendance if:

3 (a) they apply for admittance to the system within 1 year after graduation; ~~or~~ and

4 (b) their parents or the parent having legal custody or, if neither parent has legal custody, the
5 parent with whom they customarily reside has resided in Montana in one of the 2 years immediately
6 preceding the graduation.

7 (7) Upon moving to Montana, an adult employed on a full-time basis within the state of Montana
8 may apply for in-state tuition classification for the adult's spouse or any dependent minor child, or both.
9 If the person meets the requirement of full-time employment within the state of Montana and files for the
10 payment of Montana state income taxes or files estimates of those taxes or is subject to withholding of
11 those taxes and renounces residency in any other state and is not in the state primarily as a student, the
12 person's spouse or any dependent minor child, or both, may at the next registration after qualifying be
13 classified at the in-state rate so long as the person continues a Montana domicile. In the administration of
14 this subsection, neither the full-time employee or spouse is eligible for in-state tuition classification if the
15 primary purpose for coming to Montana was the education of the employee or spouse."
16

17 **Section 7.** Section 20-26-103, MCA, is amended to read:

18 **"20-26-103. Definitions.** As used in parts 1 and 2, the following definitions apply:

19 (1) "Postsecondary institution" includes the units of the university system and any postsecondary
20 institution accredited or licensed under chapter 30 of this title.

21 (2) "Program advisory council" means the ~~guaranteed~~ student loan advisory council created by
22 2-15-1520.

23 (3) "Resident student" means a person who was a resident of Montana prior to enrolling and who
24 is attending a qualified postsecondary institution within Montana."
25

26 **Section 8.** Section 20-26-1101, MCA, is amended to read:

27 **"20-26-1101. Definitions.** As used in this part, unless the context clearly indicates otherwise, the
28 following definitions apply:

29 (1) ~~"Board" means the board of regents of higher education.~~

30 ~~(2) "Corporation" "Agency" means the corporation entity designated by the board to administer~~

1 student loans.

2 (2) "Board" means the board of regents of higher education.

3 (3) "Council" means the ~~guaranteed~~ student loan advisory council established in 2-15-1520.

4 (4) "Eligible educational institution" means any institution approved by the United States
5 ~~commissioner~~ secretary of education as eligible to participate in the ~~guaranteed~~ student loan program
6 pursuant to Title IV of the Higher Education Act of 1965, as amended.

7 (5) "Eligible lender" means any lender as defined under Title IV of the Higher Education Act of
8 1965, as amended.

9 ~~(5)(6) "Guaranteed student~~ "Student loan program" means the program established by the board
10 pursuant to this part."

11

12 **Section 9.** Section 20-26-1102, MCA, is amended to read:

13 **"20-26-1102. Authorization to establish ~~guaranteed~~ student loan program.** (1) The board may
14 establish and contract for the operation of a ~~guaranteed~~ student loan program ~~for the purpose of making~~
15 to make available to students improved opportunities for education by guaranteeing loans in accordance
16 with applicable federal law to persons attending or accepted for enrollment at an eligible educational
17 institution.

18 (2) The board is designated as the state representative for receiving federal, public, or private
19 money that is now or will be made available under any act of the congress of the United States or
20 otherwise for purposes of ~~the guaranteed a~~ student loan program."

21

22 **Section 10.** Section 20-26-1103, MCA, is amended to read:

23 **"20-26-1103. Duties of the board.** In discharging its duties in relation to the ~~guaranteed~~ student
24 loan program, the board shall:

25 (1) act as guarantor and administrator on loans of money, upon terms and conditions as the board
26 may prescribe, to assist persons attending or accepted for enrollment at an eligible educational institution
27 to meet their educational expenses;

28 (2) approve financial or credit institutions, ~~insurance companies,~~ or other lenders as eligible lenders
29 upon their meeting the standards established by the board for making ~~guaranteed~~ student loans;

30 (3) incur and discharge debts, including defaulted loan obligations that have been guaranteed by

1 the board;

2 (4) make and execute agreements, contracts, and other instruments with any public or private
3 person or agency, including the United States ~~commissioner~~ secretary of education, for the administration
4 of the ~~guaranteed~~ student loan program;

5 (5) ~~contract with a corporation~~ provide for the operation of the ~~guaranteed~~ student loan program
6 to ~~provide~~ conduct loan approval processing, essential and special loan servicing, preclaims assistance,
7 supplemental preclaims assistance, claim processing and collections, and other services that would promote
8 lender and school participation and loan availability to students;

9 (6) perform any other duties necessary for the administration of the ~~guaranteed~~ student loan
10 program."

11

12 **Section 11.** Section 20-26-1104, MCA, is amended to read:

13 **"20-26-1104. Student loan advisory council -- duties.** The council shall:

14 (1) advise the board on policies, rules, and procedures necessary for accomplishing the provisions
15 of this part; and

16 ~~(2) make recommendations to the board concerning the designation of a corporation;~~

17 ~~(3)~~(2) monitor the ~~corporation~~ program to ~~assure~~ ensure that ~~both~~ the students, schools, and
18 lenders are adequately served; ~~and~~

19 ~~(4) advise on the adequacy and proper execution of any contracts entered into between the board~~
20 ~~and the corporation."~~

21

22 **Section 12.** Section 20-26-1105, MCA, is amended to read:

23 **"20-26-1105. ~~Guaranteed student~~ Student loan account.** (1) There is a ~~guaranteed~~ student loan
24 account within the federal special revenue fund provided for in 17-2-102.

25 (2) The board shall credit to the account established in subsection (1) all money designated for the
26 ~~guaranteed~~ student loan program by the United States or by any other public or private source. All
27 expenses incurred by the board in connection with the ~~guaranteed~~ student loan program, including principal
28 and interest payments required because of loan defaults, must be charged against the account.

29 (3) Money in the account not needed to meet current obligations of the board in the exercise of
30 its responsibilities as guarantor and administrator, as provided for in this part, must be invested in

1 accordance with the provisions of Title 17, chapter 6. Interest proceeds must be credited to the account.

2 (4) Money on deposit in the ~~guaranteed~~ student loan account ~~shall~~ may not revert to the general
3 fund at the close of any fiscal year."

4

5 **Section 13.** Section 20-26-1106, MCA, is amended to read:

6 "20-26-1106. **No state obligation.** The legislature is not obligated to appropriate any money to pay
7 for ~~guaranteed~~ student loan defaults. For the purpose of the ~~guaranteed~~ student loan program, neither the
8 board nor the ~~nonprofit corporation~~ agency may obligate the credit of the state."

9

10 **Section 14.** Section 20-26-1107, MCA, is amended to read:

11 "20-26-1107. **Dissolution -- disposition of money.** (1) The ~~guaranteed~~ student loan program may
12 not be dissolved until all contractual obligations have been satisfied and all loans ~~guaranteed~~ have been paid
13 by the borrower or, if in default, by the board or have been otherwise accounted for under Title IV of the
14 Higher Education Act of 1965, as amended.

15 (2) Upon dissolution of the program or the cessation of the program's activities, all property and
16 money of the board relating to the ~~guaranteed~~ student loan program not refundable to the federal
17 government as provided by law vest in the state and ~~shall~~ must be credited to the general fund."

18

19 **Section 15.** Section 20-32-103, MCA, is amended to read:

20 "20-32-103. **Fee collection and disposition for operational costs.** As a condition of participation
21 in the network, the Montana university system and community colleges shall collect from appropriate
22 discretionary funds in a manner approved by the board of regents an amount not to exceed \$5 for each
23 full-time equivalent student enrolled in the units or colleges. The funds collected must be deposited with
24 the commissioner of higher education ~~by July 1~~ for the purposes of 20-32-102(4). The commissioner of
25 higher education shall pay the department of administration the commissioner's share of the network
26 costs."

27

28 **NEW SECTION. Section 16. Effective date.** [This act] is effective July 1, 1997.

29

-END-