

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
52nd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON EDUCATION & CULTURAL RESOURCES

Call to Order: By Chairman Ted Schye, on January 30, 1991, at 3:00 p.m.

ROLL CALL

Members Present:

Ted Schye, Chairman (D)
Ervin Davis, Vice-Chairman (D)
Steve Benedict (R)
Ernest Bergsagel (R)
Robert Clark (R)
Vicki Cocchiarella (D)
Fred "Fritz" Daily (D)
Alvin Ellis, Jr. (R)
Gary Feland (R)
Gary Forrester (D)
Floyd "Bob" Gervais (D)
H.S. "Sonny" Hanson (R)
Dan Harrington (D)
Tom Kilpatrick (D)
Bea McCarthy (D)
Scott McCulloch (D)
Richard Simpkins (R)
Barry "Spook" Stang (D)
Norm Wallin (R)
Diana Wyatt (D)

Staff Present: Andrea Merrill, Legislative Council
Dianne McKittrick, Committee Secretary

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

HEARING ON HB 335

Presentation and Opening Statement by Sponsor:

REPRESENTATIVE JOHN JOHNSON, House District 23, Glendive, said HB 335 will allow an elementary district and a high school district with contiguous boundaries to form a K-12 school district. The word contiguous is defined as being in contact with or nearly touching while coterminous could also be used meaning having the same boundaries. In discussing this with Andrea Merrill, an amendment is proposed to remove the word contiguous wherever it appears and substitute "the same", meaning with the same

boundaries. **EXHIBIT 1** This language should avoid any confusion between the words coterminous and contiguous. HB 335 will allow school districts with the same boundary to form one unified school district for the purposes of internal programming and accounting.

Proponents' Testimony:

Ernie Jean, Superintendent, Florence-Carlton Schools, submitted a list identifying school districts who meet the definition as proposed in the bill. The results of this survey indicate there are fifty-three elementary and fifty-three high school districts whose boundaries, board members and all facets of their organization are exactly the same. **EXHIBIT 2** Dr. Jean said school districts would operate more efficiently in terms of managing district funds while current laws regarding the workings of these districts results in a great deal of unnecessary administrative organization and paperwork. Florence-Carlton has the same board, administrative staff, and teaching staff that works for the school district and negotiates against the school district in common. The bill also provides several safeguards. First, the districts have to approve this through the voting procedure of its constituency. Second, the revenue raising mechanisms are separate. This legislation would allow the administration to manage the district more efficiently by utilizing staff time more appropriately.

Dan Martin, Superintendent, Glendive, said HB 335 will maximize efficiency of the school office, allow flexibility with budgeting, promote efficiency at the county level and greater clarity in school business. This would be an option, not a requirement to allow schools who so desire, create K-12 budgets.

Dori Nielsen, Office of Public Instruction, (OPI), said HB 335 provides the opportunity to reduce complications for school districts. OPI supports the concept. Further work is needed to address the mechanics of the bill since it creates a third type of district.

Eric Feaver, Montana Education Association, (MEA), said HB 335 is not simple legislation and is much more than a simple concept. This legislation provides opportunity for one management, one board of trustees, one staff of employees and one budget. This becomes particularly important in so-called unified school districts that may, on an occasional basis, enjoy a surplus of money to deal with program and personnel.

Kay McKenna, Montana Association County School Superintendents, (MACSS), said any time consolidation can occur with no harm to a school district, support for the legislation is warranted. Where an elementary and high school district have the same boundaries, there should be no problem with this concept.

Beth O'Halloran, Montana Federation of Teachers, (MFT), stated

support for HB 335 citing previous testimony.

Loran Frazier, School Administrators of Montana, (SAM), stated support for HB 335 saying K-12 schools do have advantage over the other systems.

Chip Erdmann, Montana Rural Education Association, said the rural schools are in favor of this bill which makes a great deal of sense and will begin the process of perhaps doing this for all districts, not only those with coterminous districts.

Opponents' Testimony: None

Questions From Committee Members:

REP. BENEDICT asked Dori Nielsen to elaborate on the further study. Ms. Nielsen answered the statutes need to be reviewed since three types of districts are created while the other statutes speak to two.

Closing by Sponsor:

REP. JOHNSON said this bill could have far reaching effects in that it creates a third type of school district. From the standpoint of supervising the schools, it makes budgeting easier in that it deals with one district instead of two. The ANB will be applied for as it is now, with the elementary ANB and the high school ANB. He stressed that this district will not be considered for an enlarged district for bonus payments.

HEARING ON HB 343

Presentation and Opening Statement by Sponsor:

REPRESENTATIVE JOHN JOHNSON, House District 23, Glendive, said HB 343 proposes to take the reappropriated cash at the end of the year and assign that portion to the district voted levy rather than the permissive levy.

Proponents' Testimony:

Dan Martin, Superintendent, Glendive, submitted a summary budget sheet for his school district illustrating what HB 343 might do for school districts. EXHIBIT 3 If the reappropriation is moved to the voted levy it will promote incentive for local school districts to conserve the budget whenever possible. When it is moved to the voted levy we can create a dollar for dollar reduction in the taxpayer liability in the district while in the permissive it isn't dollar for dollar. The current law does not promote the conservation of money.

Ernie Jean, Superintendent, Florence-Carlton, said the incentive to reappropriate under the old finance system was a political decision oftentimes because the money was directly used to reduce

district level tax.

Kay McKenna, Montana Association County School Superintendents, (MACSS), supported the bill.

Harry Erickson, Superintendent, Belgrade, stated support citing previous testimony.

Chip Erdmann, Montana Rural Education Association, said this concept would give districts more flexibility and create more incentive to better manage funds.

Loran Frazier, School Administrators of Montana, (SAM), stated support for HB 343.

Opponents' Testimony: None

Informational Testimony:

Jan Thompson, Office of Public Instruction, (OPI), stressed there are technical problems in the fiscal note regarding the use of cash being reappropriated. Under current law a school district must use cash reappropriated to fund the permissive levy. There should be a balance since it has to be carried over to fund the voted amount. The intent of this legislation is similar, only it would be applied to the voted amount and any surplus would have to be carried over to fund the permissive amount. The committee should realize that there is potential for this bill to cost more than 4.5 million dollars.

Questions From Committee Members: None

Closing by Sponsor:

REP. JOHNSON said the committee needs to consider the technical problems. This is a good bill that would directly affect taxpayers.

EXECUTIVE ACTION ON HB 30

Motion: **REP. MCCARTHY** moved that HB 30 DO PASS.

Discussion: **Andrea Merrill** explained amendments. **EXHIBIT 4** These are amendments concurred with by the Department of Administration, Superintendent of Public Instruction, and Commissioner of Higher Education. Two sections of code have been added to the bill to allow for the method of funding that would come from the OPI to coincide with law. The bill will take one dollar out of state equalization aid for each ANB in the state and that will be the OPI's matching money into this project. In order to do that some technical amendments were needed in the definition of state equalization aid.

REP. SIMPKINS asked if this locks in funding the program for the

next Legislative Session. Ms. Merrill replied it does not.

Motion/Vote: REP. STANG moved to amend HB 30. EXHIBIT 4 Motion CARRIED unanimously.

Motion/Vote: REP. STANG made a substitute motion that HB 30 DO PASS AS AMENDED. Motion CARRIED 18 to 2 with REPS. BERGSAGEL AND HANSON voting no.

EXECUTIVE ACTION ON 154

Motion: REP. STANG moved HB 154 DO PASS.

Discussion: Bruce Moerer, Montana School Boards Association, (MSBA), presented amendments. EXHIBIT 5 The amendments address the problem of which fund the money will come from. This would apply to both route or activity buses since a district needs to purchase both. Districts can now purchase used route or activity buses and oftentimes remodeling or rebuilding these buses is necessary.

REP. SIMPKINS said it bothers him that the district Depreciation Fund was specifically established to replace route buses and now will be expanded to care for activity buses when the general fund is supposed to take care or rebuilding or repair. The intent is not to expand the use of the fund beyond what it is currently allowed to do. The fund allows for the purchase so why not allow for the rebuilding?

Motion/Vote: REP. STANG moved to amend HB 154. EXHIBIT 5 Motion CARRIED unanimously.

Vote: REP. STANG made a substitute motion that HB 154 DO PASS AS AMENDED. Motion CARRIED unanimously.

EXECUTIVE ACTION ON 254

Motion: REP. BENEDICT moved HB 254 DO PASS.

Motion/Vote: REP. HARRINGTON made a substitute motion that HB 254 BE TABLED. Motion CARRIED 11 to 8 with REP. DAILY absent during the vote. EXHIBIT 6

EXECUTIVE ACTION ON 253

Motion: REP. SIMPKINS moved HB 253 DO PASS.

Discussion: REP. HARRINGTON said this bill is ridiculous and makes no sense. There are real serious problems in this legislation to strip the Superintendent of Public Instruction of her duties.

REP. SIMPKINS said the Montana Constitution is not being abided by in our educational attempts and the Board of Education has never functioned in accordance with the Constitution. The Legislature has reassigned a constitutional duty specifically stated in the Constitution to another agency. This does not strip the Superintendent of Public Instruction of any duties.

REP. BENEDICT agreed he did not see where it would take any power or duties from the Superintendent.

REP. HARRINGTON said it definitely does so by taking away the general supervision of the schools.

Motion: REP. COCCHIARELLA made a substitute motion that HB 253 DO NOT PASS.

Motion/Vote: REP. DAILY made a substitute motion that HB 253 BE TABLED. Motion FAILED 9 to 11. EXHIBIT 7

Motion/Vote: REP. COCCHIARELLA moved HB 253 DO NOT PASS. Motion CARRIED 12 to 8. EXHIBIT 8

EXECUTIVE ACTION ON HB 105

Motion: REP. MCCULLOCH moved HB 105 DO PASS.

Discussion: Discussion followed on proposed amendments, Second Reading Copy since HB 105 was re-referred to committee. EXHIBIT 9

Motion/Vote: REP. MCCULLOCH moved to amend to HB 105. EXHIBIT 10. Motion CARRIED unanimously.

Vote: REP. MCCULLOCH made a substitute motion that HB 105 DO PASS AS AMENDED. Motion CARRIED 15 to 5. EXHIBIT 11

ADJOURNMENT

Adjournment: 5:00 p.m.



TED SCHYE, Chair



DIANNE MCKITTRICK, Secretary

TS/dMcK

HOUSE OF REPRESENTATIVES

EDUCATION AND CULTURAL RESOURCES COMMITTEE

ROLL CALL

DATE 1-30-91

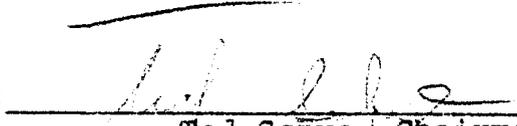
NAME	PRESENT	ABSENT	EXCUSED
REP. TED SCHYE, CHAIRMAN	✓		
REP. ERVIN DAVIS, VICE-CHAIRMAN	✓		
REP. STEVE BENEDICT	✓		
REP. ERNEST BERGSAGEL	✓		
REP. ROBERT CLARK	✓		
REP. VICKI COCCHIARELLA	✓		
REP. FRED "FRITZ" DAILY	✓		
REP. ALVIN ELLIS, JR.	✓		
REP. GARY FELAND	✓		
REP. GARY FORRESTER	✓		
REP. FLOYD "BOB" GERVAIS	✓		
REP. H.S. "SONNY" HANSON	✓		
REP. DAN HARRINGTON	✓		
REP. TOM KILPATRICK	✓		
REP. BEA MCCARTHY	✓		
REP. SCOTT MCCULLOCH	✓		
REP. RICHARD SIMPKINS	✓		
REP. BARRY "SPOOK" STANG	✓		
REP. NORM WALLIN	✓		
REP. DIANA WYATT	✓		

HOUSE STANDING COMMITTEE REPORT

January 31, 1991

Page 1 of 4

Mr. Speaker: We, the committee on Education and Cultural Resources report that House Bill 30 (first reading copy -- white) do pass as amended.

Signed: 
Ted Schye, Chairman

And, that such amendments read:

1. Title, line 13.

Following: "PROGRAM;"

Insert: "AMENDING SECTIONS 20-9-343 AND 20-9-344, MCA;"

2. Page 7, lines 10 and 11.

Following: "costs."

Strike: remainder of line 10 through "of" on line 11

Insert: "As a condition of participation in the network,"

3. Page 7, line 12.

Strike: "center"

Insert: "centers"

Strike: "college"

Insert: "colleges"

4. Page 7, lines 13 and 14.

Following: "funds"

Strike: remainder of line 13 through "entity" on line 14

5. Page 7, line 15.

Strike: "equivalent"

Insert: "not"

Following: "to"

Insert: "exceed"

6. Page 7, line 16.

Strike: "unit, center, or college"

Insert: "units, centers, or colleges"

7. Page 7, line 19.

Strike: "1991"

Insert: "1992 for the purposes of [section 2(4)]"

8. Page 8, line 3.

Insert: " Section 5. Section 20-9-343, MCA, is amended to read:

"20-9-343. Definition of and revenue for state equalization aid. (1) As used in this title, the term "state equalization aid" means the money deposited in the state special revenue fund as required in this section plus any legislative appropriation of money from other sources for distribution to the public schools for the purposes of payment of guaranteed tax base aid and equalization of the foundation program and for the Montana educational telecommunications network as provided in [section 1].

(2) The superintendent of public instruction may spend funds appropriated for state equalization aid as required for the purposes of guaranteed tax base aid and the foundation program purposes, and the Montana educational telecommunications network, throughout the biennium.

(3) The following must be paid into the state special revenue fund for state equalization aid to public schools of the state:

(a) money received from the collection of income taxes under chapter 30 of Title 15, as provided by 15-1-501;

(b) except as provided in 15-31-702, money received from the collection of corporation license and income taxes under chapter 31 of Title 15, as provided by 15-1-501;

(c) money allocated to state equalization from the collection of the severance tax on coal;

(d) money received from the treasurer of the United States as the state's shares of oil, gas, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended;

(e) interest and income money described in 20-9-341 and 20-9-342;

(f) money received from the state equalization aid levy under 20-9-360;

(g) income from the lottery, as provided in 23-5-1027;

(h) the surplus revenues collected by the counties for foundation program support according to 20-9-331 and 20-9-333;

(i) investment income earned by investing money in the state equalization aid account in the state special revenue fund; and

(j) 15% of the income and earnings of all coal severance tax funds as provided in 17-5-704(2).

(4) The superintendent of public instruction shall request the board of investments to invest the money in the state equalization aid account to maximize investment earnings to the account.

(5) Any surplus revenue in the state equalization aid account in the second year of a biennium may be used to reduce any appropriation required for the next succeeding biennium."

Section 6. Section 20-9-344, MCA, is amended to read:

"20-9-344. Purpose of state equalization aid and duties of the board of public education for distribution -- conditions of first payment. (1) The money available for state equalization aid must be distributed and apportioned to provide:

(a) an annual minimum operating revenue for the elementary and high schools in each county, exclusive of revenues required for debt service and for the payment of any costs and expense incurred in connection with any adult education program, recreation program, school food services program, new buildings and grounds, and transportation; and

(b) the Montana educational telecommunications network as provided in [section 1].

(2) The board of public education shall administer and distribute the state equalization aid in the manner and with the powers and duties provided by law. To this end, the board of public education shall:

(a) adopt policies for regulating the distribution of state equalization aid in accordance with the provisions of law and in a manner that provides for monthly distribution to each district of its foundation program amount and to each county and district distribution of its guaranteed tax base aid;

(b) have the power to require reports from the county superintendents, budget boards, county treasurers, and trustees as it considers necessary; and

(c) order the superintendent of public instruction to distribute the state equalization aid on the basis of each district's annual entitlement to the aid as established by the superintendent of public instruction. In ordering the distribution of state equalization aid, the board of public education may not increase or decrease the state equalization aid distribution to any district on account of any difference that may occur during the school fiscal year between budgeted and actual receipts from any other source of school revenue.

(3) The board of public education may order the superintendent of public instruction to withhold distribution of state equalization aid or order the county superintendent of schools to withhold county equalization money from a district when the district fails to:

(a) submit reports or budgets as required by law or rules adopted by the board of public education; or

(b) maintain accredited status.

(4) Prior to any proposed order by the board of public education to withhold distribution of state equalization aid or county equalization money, the district is entitled to a contested case hearing before the board of public education, as provided under the Montana Administrative Procedure Act.

(5) If a district or county receives more state equalization aid than it is entitled to, the county treasurer

shall return the overpayment to the state upon the request of the superintendent of public instruction in the manner prescribed by the department of commerce.

(6) (a) The first foundation program payment and guaranteed tax base aid payment must be based on an estimate of 20% of the entitlement of each district or county and distributed by July 15 of the school fiscal year.

(b) Each subsequent monthly payment must be at least 7% of the entitlement of each district or county."

Renumber: subsequent sections

9. Page 8, line 13.

Following: "year"

Insert: "for the purposes of [section 2(2)]"

HOUSE STANDING COMMITTEE REPORT

January 31, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Education and Cultural Resources report that House Bill 154 (first reading copy -- white) do pass as amended .

Signed: Ted Schye, Chairman

And, that such amendments read:

1. Title, lines 5 and 6.

Following: "CONVERT"

Strike: "OR"

Insert: ", "

Following: "REMODEL"

Strike: "A BUS OR TO REPAIR"

Insert: ", REBUILD,"

2. Page 1, line 16.

Following: "conversion"

Strike: "or"

Insert: ", "

Following: "remodeling"

Insert: ", or rebuilding"

3. Page 1, line 17.

Strike: "repair or"

4. Page 2, line 9.

Strike: "or"

Insert: ", "

5. Page 2, line 10.

Following: "remodel"

Insert: ", or rebuild"

Strike: "repair or"

HOUSE STANDING COMMITTEE REPORT

February 1, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Education and Cultural Resources report that House Bill 253 (first reading copy -- white) do not pass. This committee report replaces the standing committee report of January 31, 1991 on House Bill 254.

Signed: Ted Schye
Ted Schye, Chairman

HOUSE STANDING COMMITTEE REPORT

January 31, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Education and Cultural Resources report that House Bill 105 (second reading copy -- yellow) do pass as amended .

Signed: Ted Schye
Ted Schye, Chairman

And, that such amendments read:

1. Page 3, lines 16 and 17.

Strike: "WERE BASED ON GOOD CAUSE"

Insert: "were in compliance with the provisions of subsection (1)"

2. Page 3, line 25.

Strike: "BASED ON GOOD CAUSE"

Insert: "in compliance with the provisions of subsection (1)"

EXHIBIT #1
DATE 1-30-91
HB 335

Amendments to HB Bill No. 335
1st Reading Copy

Requested by Rep. Johnson
For the House Committee on Education

Prepared by Andrea Merrill
January 29, 1991

1. Title, line 5.
Strike: "CONTIGUOUS"
Insert: "THE SAME"

2. Page 1, line 13.
Strike: "contiguous"
Insert: "the same"



FLORENCE
CARLTON
CS SCHOOL

EXHIBIT #2
DATE 1-30-91
HB 335

DR. ERNEST WILLIAM JEAN
SUPERINTENDENT
Ph. 273-6751

GERALD MCVAY
ELEM PRINCIPAL
Ph. 273-6741

MARIE PHILLIPS
JH/HIS PRINCIPAL
Ph. 273-6301

5602 OLD HWY 93
FLORENCE, MT 59833
Stevensville Phone No.
777-3902

January 30, 1991

M E M O

TO: Members of House Education Committee

FROM: Dr. Ernest William Jean, Supt. *E. Jean*

RE: HB335

Enclosed are results of a survey of county superintendents conducted April 19, 1990, as resource material to a discussion of House Bill 335.

HB 335
1/30/91
Ex. 2

DISTRICT ORGANIZATION

A unified K-12 School District is defined as one where the District's elementary boundaries coincides exactly (is co-terminus) with the boundaries of the High School District. (i.e. the high school district encompasses only the one elementary district).

In a survey conducted April 19, 1990 of County Superintendents, with follow-up conducted by phone the following week in April, Montana County Superintendents listed the following districts that would fit the above definition of a unified K-12 school districts.

Beaverhead	Lima
Big Horn	Pryor
Blaine	Harlem
	Hays-Lodge Pole
Carbon	Belt
Cascade	Centerville
	Great Falls
Daniels	Flaxville
	Peerless
	Scobey
Deer Lodge	Anaconda
Fallon	Plevna
Fergus	Roy
	Winifred
Flathead	
Gallatin	West Yellowstone
Glacier	
Granite	Phillipsburg
Hill	Blue Sky
	Box Elder
	Kremlin-Guilford
Judith Basin	Hobsen
	Stanford
Lake	Arlee
	Ronan
	St. Ignatius
Lewis and Clark	Lincoln
Liberty	Joplin-Inverness
Lincoln	Libby
Madison	Twin Bridges
	Harrison
Mineral	

Missoula
Musselshell
Park

Frenchtown
Melstone
Gardner
Livingston
Shields Valley (in 1990-91
Clyde Park and Wilsall will be
consolidated)

Petroleum
Phillips
Pondera

Winnett
Brady
Heart Butte

Powder River
Powell
Prairie

Ravalli

Corvallis
Darby
Florence-Carlton
Hamilton
Victor
Bainville
Froid
Poplar
Rosebud

Roosevelt

Rosebud

Sanders
Sheridan

Plentywood
Outlook

Silverbow
Stillwater
Sweetgrass

Teton
Treasure

Dutton
Hysham

Valley

Wibaux

Yellowstone

Custer
Huntley Project
Shepard

HIGH SCHOOL FINAL BUDGET REPORT - 1990-91

proposed
HB 343

	ANB	FOUNDATION DOLLARS	FOUNDATION DOLLARS
1. ANB	535	1,354,246.00	1,354,246.00
2. DISTRICT SPECIAL EDUCATION ALLOWABLE COSTS		113,814.00	113,814.00
3. TOTAL DISTRICT FOUNDATION		1,468,060.00	1,468,060.00
4. PRORATED SPECIAL EDUCATION COOP COSTS			
5. PERMISSIVE LEVY LIMIT			
a. DISTRICT FOUNDATION PROGRAM X 35%	513,821.00		
b. PRORATED SPECIAL ED. CO-OP X .35	0.00		
c. PERMISSIVE LEVY LIMIT		513,821.00	513,821.00
6. GENERAL FUND BUDGET SPENDING LIMIT COMPONENTS			
a. VOTED BUDGET LIMIT (104% X PRIOR GFB)	2,627,876.00		
b. PERMISSIVE BUDGET LIMITS (LINE 3 + LINE 5C)	1,981,881.00		
c. ESTIMATED P. L. 81-874 RECEIPTS			
7. ADOPTED GENERAL FUND		2,627,876.00	2,627,876.00
8. PERMISSIVE AMOUNT BUDGETED		513,821.00	513,821.00
9. CASH RE-APPROPRIATED		241,496.15	0.00
10. ANTICIPATED GENERAL FUND NON-LEVY REVENUE			
a. LOCAL GOVERNMENT SEVERANCE TAX	45,000.00		
b. INTEREST AND INCOME EARNINGS	60,000.00		
c. TUITION AND FEES	15,000.00		
d. MOTOR VEHICLE	40,000.00		
e. CORPORATION LICENSE TAX	5,100.00		
f. NET PROCEEDS TAX FOR INTERIM & NEW PRODUCTION (FLAT TAX)	40,000.00		
g. COAL GROSS PROCEEDS TAX (FLAT TAX)			
h. PERSONAL PROPERTY TAX REIMBURSEMENT	15,000.00		
i. OTHER			
j. TOTAL NON-LEVY REVENUES		220,100.00	220,100.00
11. REMAINING UNFUNDED PERMISSIVE BALANCE (LINE 8-LINE 9-LINE-10)		52,224.85	293,721.00
12. DISTRICT MILL VALUE			
a. DISTRICT TAXABLE VALUATION	15,858,416.00		
b. DISTRICT MILL VALUE (LINE 12a X .001)		15,858.416	15,858.416
13. STATE SUBSIDY AID PER MILL			
= STATEFUND GUARANTEED TAX BASE MILL VALUE PER ANB	48.94		

DATE 1-30-91
HB 343 #3

EXHIBIT # 4
DATE 1-30-91
HB 343

Amendments to HB Bill No. 30
1st Reading Copy

Requested by
Department of Administration, Superintendent of Public
Instruction, and Commissioner of Higher Education

For the House Education Committee
January 14, 1991
Prepared by Andrea Merrill

1. Title, line 13.
Following: "PROGRAM;"
Insert: "AMENDING SECTIONS 20-9-343 AND 20-9-344, MCA;"
2. Page 7, lines 10 and 11.
Following: "costs."
Strike: remainder of line 10 through "of" on line 11
Insert: "As a condition of participation in the network,"
3. Page 7, line 12.
Strike: "center"
Insert: "centers"
Strike: "college"
Insert: "colleges"
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Strike: "equivalent"
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Following: "to"
Insert: "exceed"
6. Page 7, line 16.
Strike: "unit, center, or college"
Insert: "units, centers, or colleges"
7. Page 7, line 19.
Strike: "1991"
Insert: "1992 for the purposes of [section 2(4)]"
8. Page 8, line 3.
Insert: " **Section 5.** Section 20-9-343, MCA, is amended to read:
"20-9-343. **Definition of and revenue for state equalization aid.** (1) As used in this title, the term "state equalization aid" means the money deposited in the state special revenue fund as required in this section plus any legislative appropriation of money from other sources for distribution to the public schools for the purposes of payment of guaranteed tax base aid and equalization of the foundation program and for the Montana educational telecommunications network as provided in [section

11.

(2) The superintendent of public instruction may spend funds appropriated for state equalization aid as required for the purposes of guaranteed tax base aid and, the foundation program purposes, and the Montana educational telecommunications network, throughout the biennium.

(3) The following must be paid into the state special revenue fund for state equalization aid to public schools of the state:

(a) money received from the collection of income taxes under chapter 30 of Title 15, as provided by 15-1-501;

(b) except as provided in 15-31-702, money received from the collection of corporation license and income taxes under chapter 31 of Title 15, as provided by 15-1-501;

(c) money allocated to state equalization from the collection of the severance tax on coal;

(d) money received from the treasurer of the United States as the state's shares of oil, gas, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended;

(e) interest and income money described in 20-9-341 and 20-9-342;

(f) money received from the state equalization aid levy under 20-9-360;

(g) income from the lottery, as provided in 23-5-1027;

(h) the surplus revenues collected by the counties for foundation program support according to 20-9-331 and 20-9-333;

(i) investment income earned by investing money in the state equalization aid account in the state special revenue fund; and

(j) 15% of the income and earnings of all coal severance tax funds as provided in 17-5-704(2).

(4) The superintendent of public instruction shall request the board of investments to invest the money in the state equalization aid account to maximize investment earnings to the account.

(5) Any surplus revenue in the state equalization aid account in the second year of a biennium may be used to reduce any appropriation required for the next succeeding biennium."

Section 6. Section 20-9-344, MCA, is amended to read:

"20-9-344. Purpose of state equalization aid and duties of the board of public education for distribution -- conditions of first payment. (1) The money available for state equalization aid must be distributed and apportioned to provide:

(a) an annual minimum operating revenue for the elementary and high schools in each county, exclusive of revenues required for debt service and for the payment of any costs and expense incurred in connection with any adult education program, recreation program, school food services program, new buildings and grounds, and transportation; and

(b) the Montana educational telecommunications network as provided in [section 1].

(2) The board of public education shall administer and distribute the state equalization aid in the manner and with the powers and duties provided by law. To this end, the board of

HB 343
1/30/91
Ex. 4

public education shall:

(a) adopt policies for regulating the distribution of state equalization aid in accordance with the provisions of law and in a manner that provides for monthly distribution to each district of its foundation program amount and to each county and district distribution of its guaranteed tax base aid;

(b) have the power to require reports from the county superintendents, budget boards, county treasurers, and trustees as it considers necessary; and

(c) order the superintendent of public instruction to distribute the state equalization aid on the basis of each district's annual entitlement to the aid as established by the superintendent of public instruction. In ordering the distribution of state equalization aid, the board of public education may not increase or decrease the state equalization aid distribution to any district on account of any difference that may occur during the school fiscal year between budgeted and actual receipts from any other source of school revenue.

(3) The board of public education may order the superintendent of public instruction to withhold distribution of state equalization aid or order the county superintendent of schools to withhold county equalization money from a district when the district fails to:

(a) submit reports or budgets as required by law or rules adopted by the board of public education; or

(b) maintain accredited status.

(4) Prior to any proposed order by the board of public education to withhold distribution of state equalization aid or county equalization money, the district is entitled to a contested case hearing before the board of public education, as provided under the Montana Administrative Procedure Act.

(5) If a district or county receives more state equalization aid than it is entitled to, the county treasurer shall return the overpayment to the state upon the request of the superintendent of public instruction in the manner prescribed by the department of commerce.

(6) (a) The first foundation program payment and guaranteed tax base aid payment must be based on an estimate of 20% of the entitlement of each district or county and distributed by July 15 of the school fiscal year.

(b) Each subsequent monthly payment must be at least 7% of the entitlement of each district or county."

Renumber: subsequent sections

9. Page 8, line 18.

Following: "year"

Insert: "for the purposes of [section 2(2)]"

EXHIBIT #5
DATE 1-30-91
HB 154

Amendments to HB Bill No. 154
1st Reading Copy

For the House Committee on Education

Prepared by Andrea Merrill
January 30, 1991

1. Title, lines 5 and 6.
Following: "CONVERT" on line 5
Insert: ", "
Strike: "OR"
Following: "REMODEL"
Strike: "A BUS OR TO REPAIR"
Insert: ", REBUILD,"

2. Page 1, line 16.
Following: "conversion"
Strike: "or"
Insert: ", "
Following: "remodeling"
Insert: ", or rebuilding"

3. Page 1, line 17.
Strike: "repair or"

4. Page 2, line 9.
Strike: "or"
Insert: ", "

5. Page 2, line 10.
Following: "remodel"
Insert: ", or rebuild"
Strike: "repair or"

EXHIBIT #6
 DATE 1-30-91
 HB 254

HOUSE OF REPRESENTATIVES

EDUCATION AND CULTURAL RESOURCES COMMITTEE

ROLL CALL VOTE

DATE 1-30-91 BILL NO. 254 NUMBER _____

MOTION: Motion to Table By Rep. Harrington
Motion Carried 11 aye - 8 no

NAME	AYE	NO
REP. TED SCHYE, CHAIRMAN	✓	
REP. ERVIN DAVIS, VICE-CHAIRMAN	✓	
REP. STEVE BENEDICT		✓
REP. ERNEST BERGSAGEL		✓
REP. ROBERT CLARK		✓
REP. VICKI COCCHIARELLA	✓	
REP. FRED "FRITZ" DAILY		
REP. ALVIN ELLIS, JR.		✓
REP. GARY FELAND		✓
REP. GARY FORRESTER	✓	
REP. FLOYD "BOB" GERVAIS	✓	
REP. H.S. "SONNY" HANSON		✓
REP. DAN HARRINGTON	✓	
REP. TOM KILPATRICK	✓	
REP. BEA MCCARTHY	✓	
REP. SCOTT MCCULLOCH	✓	
REP. RICHARD SIMPKINS		✓
REP. BARRY "SPOOK" STANG	✓	
REP. NORM WALLIN		✓
REP. DIANA WYATT	✓	
TOTAL	11	8

EXHIBIT #7
 DATE 1-30-91
 HB 253

HOUSE OF REPRESENTATIVES

EDUCATION AND CULTURAL RESOURCES COMMITTEE

ROLL CALL VOTE

DATE 1-30-91 BILL NO. 253 NUMBER #

MOTION: To Table Motion By Rep. Daily
Motion Failed 9 aye, 11 no.

NAME	AYE	NO
REP. TED SCHYE, CHAIRMAN	✓	
REP. ERVIN DAVIS, VICE-CHAIRMAN	✓	
REP. STEVE BENEDICT		✓
REP. ERNEST BERGSAGEL		✓
REP. ROBERT CLARK		✓
REP. VICKI COCCHIARELLA		✓
REP. FRED "FRITZ" DAILY	✓	
REP. ALVIN ELLIS, JR.		✓
REP. GARY FELAND		✓
REP. GARY FORRESTER	✓	
REP. FLOYD "BOB" GERVAIS	✓	
REP. H.S. "SONNY" HANSON		✓
REP. DAN HARRINGTON	✓	
REP. TOM KILPATRICK	✓	
REP. BEA MCCARTHY	✓	
REP. SCOTT MCCULLOCH	✓	
REP. RICHARD SIMPKINS		✓
REP. BARRY "SPOOK" STANG		✓
REP. NORM WALLIN		✓
REP. DIANA WYATT		✓
TOTAL	9	11

EXHIBIT # 8
 DATE 1-30-91
 HB 253

HOUSE OF REPRESENTATIVES

EDUCATION AND CULTURAL RESOURCES COMMITTEE

ROLL CALL VOTE

DATE 1-30 BILL NO. 253 NUMBER _____

MOTION: Do Not Pass Motion by Rep Cocchiarella
Motion Carried 12 aye, 8 no.

NAME	AYE	NO
REP. TED SCHYE, CHAIRMAN	✓	
REP. ERVIN DAVIS, VICE-CHAIRMAN	✓	
REP. STEVE BENEDICT		✓
REP. ERNEST BERGSAGEL		✓
REP. ROBERT CLARK		✓
REP. VICKI COCCHIARELLA	✓	
REP. FRED "FRITZ" DAILY	✓	
REP. ALVIN ELLIS, JR.		✓
REP. GARY FELAND		✓
REP. GARY FORRESTER	✓	
REP. FLOYD "BOB" GERVAIS	✓	
REP. H.S. "SONNY" HANSON		✓
REP. DAN HARRINGTON	✓	
REP. TOM KILPATRICK	✓	
REP. BEA MCCARTHY	✓	
REP. SCOTT MCCULLOCH	✓	
REP. RICHARD SIMPKINS		✓
REP. BARRY "SPOOK" STANG	✓	
REP. NORM WALLIN		✓
REP. DIANA WYATT	✓	
TOTAL	12	8

EXHIBIT #79
DATE 1-30-91
HB 105

Montana Legislature

HB 0105/02

APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

HOUSE BILL NO. 105
INTRODUCED BY L. NELSON

HB 0105/02

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR TRANSFER

5 OF A TENURE TEACHER BETWEEN ADMINISTRATIVE AND TEACHING

6 POSITIONS; AND AMENDING SECTION 20-4-203, MCA; AND PROVIDING

7 AN APPLICABILITY DATE."

8

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

10 **Section 1.** Section 20-4-203, MCA, is amended to read:

11 ***20-4-203. Teacher tenure. (1) Whenever Except as**

12 **provided in [section 2], whenever a teacher has been elected**

13 **by the offer and acceptance of a contract for the fourth**

14 **consecutive year of employment by a district in a position**

15 **requiring teacher certification except as a district**

16 **superintendent or specialist, the teacher is considered to**

17 **be reelected from year to year thereafter as a tenure**

18 **teacher at the same salary and in the same or a comparable**

19 **position of employment as that provided by the last executed**

20 **contract with the teacher unless the trustees resolve by**

21 **majority vote of their membership to terminate the services**

22 **of the teacher in accordance with the provisions of**

23 **20-4-204.**

24 (2) The tenure of a teacher with a district may not be

25 impaired upon termination of services of the teacher if the

1 following conditions exist:

2 (a) the tenure teacher is terminated because the

3 financial condition of the district requires a reduction in

4 the number of teachers employed; and

5 (b) continued employment rights are provided for in a

6 collectively bargained contract of the district."

7 NEW SECTION. Section 2. Transfer from administrative

8 position. (1) A tenure teacher serving in an administrative

9 position may be assigned to a teaching position with a

10 reduction in salary when the economic conditions of the

11 district require a reduction of administrative staff. The

12 salary for the new position must be the same as or more than

13 the salary that the teacher would have received if the

14 teacher had been continuously employed in the new position

15 rather than in the administrative position.

16 (2) As used in this section, the term:

17 (a) "administrative position" means a position that the

18 trustees of a district designate as administrative or

19 supervisory in nature, not including the position of

20 district superintendent; and

21 (b) "reduction of administrative staff" is limited to

22 reductions necessary because of declining enrollment or

23 financial exigency.

24 (3) When a tenure teacher serving in an administrative

25 position is to be transferred under this section, the



1 teacher must be notified prior to May 1 by certified letter
 2 or by personal notification for which a signed receipt must
 3 be obtained. The notification must include:
 4 (a) a statement of the reason or reasons for the
 5 reduction of administrative staff; and
 6 (b) a printed copy of this section for the teacher's
 7 information.
 8 (4) A tenure teacher who receives notice under
 9 subsection (3) may request in writing, within 10 days of the
 10 notice, a hearing before the board of trustees. The board of
 11 trustees shall set the hearing not less than 10 days or more
 12 than 20 days from receipt of the request unless both parties
 13 agree to an extension. If a hearing is requested, the
 14 trustees shall:
 15 (a) conduct the hearing to determine whether the reason
 16 or reasons for the transfer ~~are arbitrary-or-capricious~~ WERE
 17 BASED ON GOOD CAUSE; and
 18 (b) resolve at the end of the hearing to uphold the
 19 transfer or to reject the transfer and return the teacher to
 20 the administrative position.
 21 (5) A tenure teacher may appeal a decision under this
 22 section to the county superintendent as provided in
 23 20-3-210. The county superintendent shall conduct a hearing
 24 to determine whether the reason or reasons for the transfer
 25 were ~~arbitrary-or-capricious~~ BASED ON GOOD CAUSE.

1 (6) The teacher or the trustees may appeal the
 2 determination of the county superintendent to the
 3 superintendent of public instruction as provided in
 4 20-3-107.
 5 (7) A tenure teacher who is transferred to a teaching
 6 position under this section must be offered the next
 7 comparable administrative position for which he is endorsed
 8 that becomes available in the district.
 9 NEW SECTION. Section 3. Codification instruction.
 10 [Section 2] is intended to be codified as an integral part
 11 of Title 20, and the provisions of Title 20 apply to
 12 [section 2].
 13 NEW SECTION. SECTION 4. APPLICABILITY. [THIS ACT] DOES
 14 NOT APPLY TO A PERSON WHO WAS EMPLOYED IN AN ADMINISTRATIVE
 15 POSITION BEFORE OCTOBER 1, 1991.

-End-

Amendments to HB Bill No. 105
2nd Reading Copy

Requested by House Committee on Education
For the Committee on

Prepared by Andrea Merrill
January 30, 1991

1. Page 3, lines 16 and 17.

Strike: "WERE BASED ON GOOD CAUSE"

Insert: "were in compliance with the provisions of subsection
(1)"

2. Page 3, line 25.

Strike: "BASED ON GOOD CAUSE"

Insert: "in compliance with the provisions of subsection (1)"

EXHIBIT # 11
 DATE 1-30-91
 HB 105

HOUSE OF REPRESENTATIVES
 EDUCATION AND CULTURAL RESOURCES COMMITTEE

ROLL CALL VOTE

DATE 1-30-91 BILL NO. 105 NUMBER _____

MOTION: Motion by Rep. McCulloch
Do Pass As Amended

NAME	AYE	NO
REP. TED SCHYE, CHAIRMAN	✓	
REP. ERVIN DAVIS, VICE-CHAIRMAN		✓
REP. STEVE BENEDICT	✓	
REP. ERNEST BERGSAGEL	✓	
REP. ROBERT CLARK	✓	
REP. VICKI COCCHIARELLA	✓	
REP. FRED "FRITZ" DAILY		✓
REP. ALVIN ELLIS, JR.	✓	
REP. GARY FELAND	✓	
REP. GARY FORRESTER	✓	
REP. FLOYD "BOB" GERVAIS	✓	
REP. H.S. "SONNY" HANSON	✓	
REP. DAN HARRINGTON		✓
REP. TOM KILPATRICK	✓	
REP. BEA MCCARTHY	✓	
REP. SCOTT MCCULLOCH	✓	
REP. RICHARD SIMPKINS		✓
REP. BARRY "SPOOK" STANG		✓
REP. NORM WALLIN	✓	
REP. DIANA WYATT	✓	
TOTAL	15	5

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

EDUCATION & CULTURAL RESOURCES

COMMITTEE

BILL NO. 335

DATE 1-30-91

SPONSOR(S) J. Johnson

PLEASE PRINT

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Don Martin	Albion School			✓
Andrew Carlson	St Regis School			✓
Eric Leaver	MEA			✓
Louise Trayer	SAM			✓
Don McRenna	MACSS			✓
Ernie Jean	Florence-Carlow School			✓
Beth O'Halloran	MFT			✓
Harry D. Ewell	Belpod			✓
Chip Geomann	Mt Rural El Assoc			X
Bob Annison	MSBA			X

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

EDUCATION & CULTURAL RESOURCES

COMMITTEE

BILL NO. 343

DATE 1-30-91

SPONSOR(S) J. Johnson

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PLEASE PRINT

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Don Martin	Glendora School			✓
Linda Carlson	St. Regis School			✓
Ray McPenna	MACSS			✓
Frank De Erub	Belgrade			✓
Chip Eiden	MT Rural Ed Assn			X
Norma Hayes	S A M (has technical problems)			X
Bruce W. Moeres	BSBZ			X

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.