

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

SELECT COMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN MONICA LINDEEN**, on March 11, 2005 at 3:20 P.M., in Room 455 Capitol.

ROLL CALL

Members Present:

Rep. Monica Lindeen, Chairman (D)
Rep. Bill E. Glaser, Vice Chairman (R)
Rep. Norma Bixby (D)
Rep. Tim Dowell (D)
Rep. Dave Gallik (D)
Rep. Verdell Jackson (R)
Rep. Bob Lake (R)
Rep. Holly Raser (D)
Rep. Jon Sonju (R)
Rep. Pat Wagman (R)

Members Excused: None.

Members Absent: None.

Staff Present: Connie Erickson, Legislative Branch
Kim Leighton, Committee Secretary
Chris Lohse, Legislative Branch
Eddy McClure, Legislative Branch
Jim Standaert, Legislative Branch

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

Committee Business Summary:

Hearing & Date Posted:
Executive Action: HB 124

CHAIR LINDEEN opened the hearing with general housekeeping issues.

EXECUTIVE ACTION ON HB 124

Motion: REP. SONJU moved that HB 124 DO PASS AS AMENDED. **Eddye McClure, Legislative Services Division**, explained the amendments that were previously introduced.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 5.7}

Motion: REP. DOWELL moved that AMENDMENT HB012407.ace BE ADOPTED.

EXHIBIT(esh54a01)

Discussion:

REP. DOWELL explained that he is introducing this amendment on behalf of REP. FACEY. He discussed the intent of this bill.

REP. GALLIK asked for an elaboration on this amendment. **CHAIR LINDEEN** asked Ms. McClure to clarify. **Ms. McClure** explained the intent of this amendment.

REP. LAKE wanted to confirm that this states that anybody that works for the district is qualified to receive credit. **Ms. McClure** stated that is correct.

Vote: Motion carried unanimously by voice vote.

{Tape: 1; Side: A; Approx. Time Counter: 5.7 - 10.8}

Motion: REP. DOWELL moved that AMENDMENT HB012405.ace BE ADOPTED.

EXHIBIT(esh54a02)

REP. DOWELL introduced the bill and explained it as well. He presented this amendment on behalf of REP. FACEY.

REP. GALLIK claimed that it seems to make sense. He asked why they want to do it to urban areas. **REP. WAGMAN** stated that he was going to ask the same question. **REP. GLASER** suggested asking Jim Standaert, Legislative Fiscal Division, to explain. **Mr. Standaert** explained that they use the Consumer Price Index for Urban Areas (CPIU) most often because it is understood by a majority of the people. He added that others are not collected as often.

REP. SONJU asked **REP. GALLIK** to repeat his question for clarification. **REP. GALLIK** attested that he knows there are CPI's for certain areas. He was inquiring why they used this one for only urban areas instead of something that is more applicable to Montana.

Vote: Motion carried unanimously by voice vote.

Motion: **REP. DOWELL** moved that **AMENDMENT HB012408.ace** BE **ADOPTED**.

EXHIBIT(esh54a03)

REP. DOWELL explained this amendment to the Committee on behalf of **REP. FACEY**. He added that it is difficult for him to move this. However, he told **REP. FACEY** that he would.

REP. LAKE asked what the reason is for a make-up that eliminates a retiree. **REP. DOWELL** reiterated that he told **REP. FACEY** that he would present this. However, he does not support it.

CHAIR LINDEEN stated that there is a nominee list from which the Governor selects.

Tom Biladeau, Montana Education Association-Montana Federation of Teachers (MEA-MFT), clarified what this amendment would do.

REP. WAGMAN asked **REP. JACKSON** if he could contrast this amendment to his. **CHAIR LINDEEN** said she would allow this.

REP. JACKSON claimed that the board has to have expertise on it. He does not want to set up a political board. He stated the types of expert individuals he would like to have on the board.

Upon discussion, **REP. DOWELL** stated that the amendments from **REP. FACEY** are compromised. He urged the Committee to pass this amendment.

REP. RASER explained the purpose of the board to the Committee and stressed their importance.

REP. LAKE wished to confirm that it is a nine-member board. **CHAIR LINDEEN** confirmed that.

Vote: Motion carried 6-4 by roll call vote with **REP. JACKSON**, **REP. LAKE**, **REP. SONJU**, and **REP. WAGMAN** voting no.

{Tape: 1; Side: A; Approx. Time Counter: 10.8 - 26.2}

Motion: REP. DOWELL moved that AMENDMENT HB012404.ace BE ADOPTED.

EXHIBIT(esh54a04)

REP. DOWELL explained this amendment which he introduced on behalf of REP. FACEY.

REP. SONJU believed that this is an important amendment.

REP. RASER gave a thumbs up to the sponsor for his willingness to compromise.

REP. GLASER said he had looked over this amendment carefully and had mixed emotions. However, he will support it.

REP. JACKSON attested that the risk of this practice is that the people most likely to opt out are those healthy individuals.

CHAIR LINDEEN added that she tends to agree with REP. JACKSON. If people opt out, there needs to be a change to let people back in. She would not support this amendment.

REP. RASER hoped to clarify this concern. She added that there needs to be a measure of stability. CHAIR LINDEEN stated that her concern is that there is no recourse if someone opts out.

REP. RASER attested that if people are opting out, there is probably something wrong with the system. That would need to be addressed.

REP. GALLIK asked Ms. McClure to comment on the fact that they are not striking any of the language, but rather adding more language. It doesn't seem like it would work. Ms. McClure clarified this for REP. GALLIK. She explained how it would read and what it means.

REP. GALLIK asked where in the amendment, it states that a district cannot go back in. CHAIR LINDEEN stated that it is in the second sentence. Ms. McClure clarified the statement.

REP. SONJU added that this provides some competition. It also provides a strong statement of, "Once in, never out." Therefore, he supports this amendment.

REP. GALLIK stated that this seems to be a major issue. He wanted to make sure that this whole thing will work if school districts start pulling back. REP. DOWELL attested that once a school district is in the K-12 SHIP program, they will receive the \$200 entitlement. It is a better deal for them. REP. GALLIK

claimed that he does not understand why anyone would want to get out, if it is such a good deal.

CHAIR LINDEEN spoke from personal experience about insurance policies. **REP. GALLIK** wished to clarify the details of this amendment. **REP. RASER** offered the analogy of a lifesaver. Even if they don't want to use it, it's nice to know that they have it if they need it.

Vote: Motion carried 7-3 by roll call vote with **REP. JACKSON**, **REP. LAKE**, and **REP. LINDEEN** voting no.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 10.1}

Motion: **REP. GALLIK** moved that **AMENDMENT HB012403.aem** BE **ADOPTED**.

EXHIBIT(esh54a05)

REP. GALLIK explained his proposed amendment to the Committee.

REP. LAKE stated that there is a statute on the spending gap and by omitting this part, there could be big problems down the road. He added that this is a dangerous move to make.

REP. RASER believed this was a good idea. She inquired if this applies to this biennium or others to come. **REP. GALLIK** attested that his main concern is this biennium. However, there could be a change of heart on the House floor.

REP. JACKSON claimed that they were told to vote how they wanted. He added that **REP. GALLIK** is now accusing them of being devious and that is inappropriate.

CHAIR LINDEEN responded by saying that she did not believe **REP. GALLIK** was saying that the Republicans were acting maliciously.

REP. GALLIK reiterated that he never used the word "devious" or "malicious." He added that he is simply concerned that they have some very serious issues and need to be careful. They need to avoid future problems.

CHAIR LINDEEN hoped to take a few minutes and discuss the problem of the spending cap. She added that they need to consider where that puts them.

REP. LAKE stated his real concern is that this statement will tie in future legislators.

REP. WAGMAN claimed there is an assumption that a certain amount of money needs to be spent to satisfy the Court's decision. He read part of the three-page document.

REP. GLASER said he tends to agree emotionally. This is about policy. He added that including the spending cap will bring more battles to the front. He urged **REP. GALLIK** to withdraw his motion.

REP. JACKSON claimed that there is no provision in State Law that directs them to do what is contained in this amendment.

Ms. McClure stated that the spending cap is statute. This amendment was prepared by Greg Petesch, Legislative Services Division.

CHAIR LINDEEN added that there are exemptions already in law.

REP. GALLIK closed his argument on this amendment by saying, "We need to take care of our own work right here."

Substitute Motion: **REP. RASER made a substitute motion that AMENDMENT HB012403.aem BE AMENDED.**

REP. RASER suggested that they change the language to "...this biennium."

Mr. Standaert offered an explanation on the amendment. He included the spending cap and how using this biennium would affect it.

REP. RASER attested that she is hearing concern from several committee members; this is a possible compromise.

REP. LAKE added that it is a nice thought; however, spending is spending.

CHAIR LINDEEN spoke about the process of budgeting and asked **REP. RASER** to withdraw her motion. **REP. RASER** agreed and withdrew her motion.

Vote: Motion failed 5-5 by roll call vote with **REP. BIXBY**, **REP. DOWELL**, **REP. GALLIK**, **REP. LINDEEN**, and **REP. RASER** voting aye.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 3.2}

Motion: **REP. SONJU** moved that **HB 124 DO PASS AS AMENDED.**

Discussion:

REP. GALLIK offered a question to those individuals who vote against this. He asked, "When people ask you about the spending cap, what are you going to say?"

REP. JACKSON said there are other ways to fund education and he will not support this bill.

REP. RASER claimed that she agrees with **REP. JACKSON** that they need to address this problem. She posed the question, "Is this good policy?"

REP. SONJU stated that he concurs with those thoughts. He would like to vote it out of the Committee and see what happens on the House floor.

REP. GLASER added that this is a significant policy decision. He talked about past bills that were similar. This is a policy decision that they need to make. He will support this to go onto the House floor.

REP. GALLIK stated that he will support this. However, he is feeling a bit tepid about it. It is not the highest of priorities.

REP. LAKE said that this plan is pretty good. The concept needs to be addressed. He will support this bill.

REP. DOWELL attested that he will support this bill. It is an honest attempt to put forward a mechanism to help solve the funding formula problem.

REP. BIXBY said this is a good bill. She added that she is sorry to see **REP. GALLIK's** amendment fail. She hopes the House floor will see the value of this bill.

CHAIR LINDEEN stated that she has struggled with this bill. She appreciates all the hard work that has gone into this. She said this is one way to potentially address the Supreme Court decision. **CHAIR LINDEEN** reiterated that it is a good policy. However, they need to be fiscally responsible. If this is adopted, cuts will need to be made elsewhere. She wanted to make sure this was clear to the rest of the committee.

Vote: Motion carried 7-3 by roll call vote with **REP. JACKSON**, **REP. LINDEEN**, and **REP. WAGMAN** voting no.

Mr. Standaert asked about the impact of Amendment HB012407.ace.

Mr. Biladeau responded by saying that the minimum amount of hours an employee can work while still being eligible is 18.

CHAIR LINDEEN closed the meeting with general announcements.

ADJOURNMENT

Adjournment: 4:40 P.M.

REP. MONICA LINDEEN, Chairman

KIM LEIGHTON, Secretary

ML/kl

Additional Exhibits:

EXHIBIT ([esh54aad0.PDF](#))