

EXHIBIT 5  
DATE 3-11-05  
HB 124

Amendments to House Bill No. 124  
1st Reading Copy

Requested by Representative Dave Gallik

For the House Select Committee on Education

Prepared by Eddy McClure  
March 11, 2005 (12:29pm)

1. Title, page 1, line 25.

**Following:** "APPROPRIATIONS;"

**Insert:** "EXEMPTING THE K-12 STATEWIDE HEALTH INSURANCE PROGRAM  
FROM STATE EXPENDITURE LIMITATIONS;"

**Following:** "17-7-502,"

**Insert:** "17-8-105,"

2. Page 23, line 7.

**Following:** line 6

**Insert:** "NEW SECTION. Section 30. K-12 statewide health insurance program exempt from expenditure limitations. The provisions of 17-8-105 and 17-8-106 do not apply to [this act] based on:

(1) the order of the Montana supreme court that the legislature, pursuant to its obligation under Article X of the Montana constitution, is required to define a basic system of free quality public elementary and secondary schools and to fund the costs of quality schools based on its definition; and

(2) the declaration of the Montana supreme court that the current funding formula violates Article X, section 1(2), of the Montana constitution because the state has failed to recognize the distinct and unique cultural heritage of American Indians by showing no commitment in its educational goals to the preservation of their cultural identity."

**Insert:** "**Section 31.** Section 17-8-105, MCA, is amended to read:

**"17-8-105. Definitions applicable to expenditure limitation.** As used in 17-8-106, the following definitions apply:

(1) "Montana total personal income" means the current income from all sources received during a particular period of time by persons residing within Montana as determined by the United States department of commerce or its successor agency.

(2) (a) "State expenditures" means the general fund appropriations, the state special revenue fund type appropriations other than those excluded under subsection (2)(b), and the cash portion of the appropriations in the capital projects fund type;

(b) excluding The term does not include:

(a) (i) money received from the federal government;

(b) (ii) payments of principal and interest on bonded indebtedness;

~~(c)~~(iii) money paid for unemployment or disability insurance benefits;

~~(d)~~(iv) money received from the sale of goods or services provided that the purchase of the goods or services is discretionary;

~~(e)~~(v) money paid from permanent endowments, constitutional trusts, or pension funds;

~~(f)~~(vi) proceeds of gifts or bequests made for purposes specified by the donor;

~~(g)~~(vii) money appropriated for tax relief; and

~~(h)~~(viii) funds transferred within state government or used to purchase goods for resale; and

(ix) money dedicated to implement the provisions of the K-12 statewide insurance program as established in [sections 1 through 9] and [10 through 26]."

{Internal References to 17-8-105: None.}"

**Renumber:** subsequent sections

- END -