MINUTES

MONTANA SENATE
59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

Call to Order: By **CHAIRMAN DON RYAN**, on March 16, 2005 at 3:00 P.M., in Room 303 Capitol.

ROLL CALL

Members Present:
Sen. Don Ryan, Chairman (D)
Sen. Gregory D. Barkus (R)
Sen. Jerry W. Black (R)
Sen. Kim Gillan (D)
Sen. Bob Hawks (D)
Sen. Sam Kitzenberg (R)
Sen. Jesse Laslovich (D)
Sen. Jeff Mangan (D)
Sen. Dan McGee (R)
Sen. Bob Story Jr. (R)

Members Excused: Sen. Jim Elliott (D)

Members Absent: None.

Staff Present: Connie Erickson, Legislative Branch
Lois O'Connor, Committee Secretary

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

Committee Business Summary:
Hearing & Date Posted: HB 660, 3/16/2005; HB 652, 3/16/2005
Executive Action: HB 660

{Tape: 1; Side: A; Time Counter: 0.5}

HEARING ON HB 660

Opening Statement by Sponsor:

REP. ALAN OLSON (R), HD 45, said that HB 660 asks that the clerk of a school district give the county treasurer 30-hours notice in advance of cash demands to meet payroll, claims, and electronic transfers that are in excess of $50,000. If the clerk fails to give the 30-hour notice, the district must be assessed a fee equal to any charges demanded by the state investment pool or other permissible investment manager for improperly noticed withdrawal of funds. He added that if the proper notice is not given, there are fees associated with the transfer of money which the county has to pay. HB 660 provides that the school district to reimburse the county.

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Proponents' Testimony:

Rhonda Carpenter Wiggers, MT County Treasurers Association, said that this is an issue that the Association has worked on with the school districts. Occasionally, school districts decide to spend money that the county treasurer is not anticipating. If districts do not call the bank ahead of time and have the money removed from the investments to the bank, fees become involved. When there is no fee involved and if there is no penalty, there is no penalty assessed to the school district for forgetting to make the phone call. However, in cases where a fee is assessed, the person responsible for not letting county treasurers know that they need to transfer money is actually the entity that pays the fee.

Opponents' Testimony: None.

Informational Testimony: None.

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Questions from Committee Members and Responses:

SEN. ROBERT STORY, SD 30, asked why 30 hours was the magic number. **Ms. Carpenter Wiggers** said that most banks require a 24-hour notice. The 30 hours gives county treasurers leeway for lateness of the day and still have the 24-hour notice that banks require.

SEN. GREGORY BARKUS, SD 4, asked if the 30-hour notice could potentially pose a 2-day problem. **Ms. Carpenter Wiggers** felt that it would not happen in reality. She said county treasurers need 24-hours to move their investments over to the bank so that the warrants get to the bank. She did not believe that the districts were spending upwards of $50,000 without thinking about it for at least 48 hours. It is something that districts have thought about, they just forgot to make the phone call to the treasurer's office.

Closing by Sponsor:

REP. A. OLSON requested the Committee's support of HB 660.

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EXECUTIVE ACTION ON HB 660

Motion/Vote: SEN. STORY moved that HB 660 BE CONCURRED IN. Motion carried unanimously by voice vote. SENATOR ELLIOTT voted aye by proxy. SEN. BARKUS will carry the bill.

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HEARING ON HB 652

Opening Statement by Sponsor:

REP. JILL COHENOUR (D), HD 78, said that HB 652 allows a school bus from one district to cross another school district boundary to pick up children who are in their own district. The amended portion of HB 652 addresses the issue of independent school districts that are within the boundaries of another district who do not wish to have their students taken out of their independent district into other places.

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Proponents' Testimony:

Ron Witmoyer, Superintendent, East Helena Public Schools, provided written comments in support of HB 652 and a map giving an example of some districts' concern.

EXHIBIT(eds58a01)
EXHIBIT(eds58a02)

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Bob Vogel, MT School Boards Association (MTSBA), said that in his conversations with OPI, he found that this is a commonly raised question among school districts, and there are is no guidance in statute to address it. HB 652 allows a school bus from one district (District A) to cross another school district boundary (District B) to pick up students who are actually in District A's own district instead of having the bus go around District B's boundaries. It is an efficiency system in that it cuts down the number of miles that a school district bus has to travel.

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Bob Gilbert, MT School Bus Contractors Association, spoke in support of HB 652 because it puts common practice in statute.

Opponents' Testimony: None.

Informational Testimony: None.

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Questions from Committee Members and Responses:

SEN. STORY said that under current law, if one district runs a bus through another district's boundary and back into its own district to pick up a student, a written agreement is needed between the two districts. He asked if under HB 652, would the written agreement between the two districts still be necessary. **Mr. Vogel** said yes, as long is the bus is not stopping within the boundaries of the other school district.

SEN. STORY asked for **Mr. Witmoyer's** understanding of the way the process would work under HB 652. **Mr. Witmoyer** said that HB 652 would allow his district to pick up an isolated student within his district without having to go through the district's Transportation Committee. **SEN. STORY** understood that school districts had to set their bus routes in May of the previous school year. He asked if a student showed up at some point later than that, would the bus still pick up the student and be uncompensated to do it. **Mr. Witmoyer** said that a written application would have to be made to the county superintendent. The county superintendent would either reconvene the transportation committee for that county or the county superintendent would make a written request to each of the representative on the transportation committee for approval. Although routes can be altered throughout the school year, it entails a long, written process to get it accomplished. **SEN. STORY** asked how those routes were funded because the mill levies are already set by that time. **Mr. Vogel** said that it does take a

budget amendment in order for a school district to be compensated for any additional routes.

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SEN. DANIEL MCGEE, SD 29, said if section 2(c) is implemented, there is no agreement. He asked if there is no agreement, why is the rest of Section 1 needed. **REP. COHENOUR** said that section 2(c) allows districts to have a written agreement on other issues. East Helena, for example, has three different school, and it does a lot of shuttling between those schools. If for some reason East Helena wanted to do that with another school district, it could still be done through a written agreement which takes the issue of taking average number belonging (ANB) out of one district and putting it into another district out of the discussion.

SEN. BARKUS asked whose jurisdiction does HB 652 address and who is the agreement made with to travel through a district. He said that the buses are traveling on public roadways. **REP. COHENOUR** said that 20-10-126, MCA, states that the territory of a transportation service area is the territory of a school district, and that is why HB 652 is needed. That language says that a bus from one district cannot go outside of the district and then come back into the district to pick up a student unless it is included in the transportation agreement. HB 652 puts in statute that buses can do that without an agreement and so that it is not questioned.

SEN. STORY questioned the necessity for both section 2(b)(i)and (2)(b)(ii) because they said essentially the same thing. **Mr. Gilbert** said for example, Sidney has a large high school district. Inside that district are three separate elementary districts. The high school transportation district covers all three areas for high school transportation only--(section (b)(i)). Section (b)(ii) states if an elementary district wants to pick up students within the boundaries of the other two elementary districts, with a written agreement, they can do that. Without the written agreement, the concern is the pilfering of students and taking them to a school outside of their elementary district. It becomes a turf battle. Although it is not as complicated as it looks, the way it is written has caused some confusion.

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SEN. DON RYAN, SD 10, asked about other areas of the state where there are school districts that intermingle and why is it limited to high school districts who cannot pick up students who are not

their own students. **Mr. Vogel** was unsure but assumed that is why the language was written the way it is. **SEN. RYAN** requested that **Mr. Vogel** ensure that the language does not create problems in other areas of the state before Executive Action is taken.

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SEN. RYAN asked if the Helena transportation district was telling **Mr. Witmoyer** that he was unable to pick up the student in question. **Mr. Witmoyer** said no, but added that the current gentlemen's agreement between the Helena and East Helena districts does not necessarily comply with state law.

SEN. JERRY BLACK, SD 14, asked about the difference between an elementary district and an independent district. **Mr. Vogel** said that an example of a unified elementary district would be Helena School District 1 that has two districts--Helena elementary district and a high school district. An independent elementary district does not have a high school associated with it, such as East Helena.

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Closing by Sponsor:

REP. COHENOUR said that nobody at the school levels have a problem with the language of HB 652, and they are looking for clarification before they make their transportation decisions.

ADJOURNMENT

Adjournment: 4:30 P.M.

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SEN. DON RYAN, Chairman

_____
LOIS O'CONNOR, Secretary

DR/lo

Additional Exhibits:

EXHIBIT(eds58aad0.PDF)