



**POST SESSION NARRATIVE AND BILL SUMMARY - APRIL 24, 2013**

The Public Education Advocacy Groups that collaborated in preparing the Essential Truths Regarding the Great Work of Montana’s Public Schools and that worked together to pass what the press is calling an “historic rewrite of state funding for public schools” in Senate Bill 175 have worked hard throughout the 2013 Session to advance and protect the interests of the students served throughout the state in Montana’s public schools. We want to thank our collective members for their excellent advocacy throughout the 2013 Legislative Session. In spite of facing significant challenges, including the introduction of an unprecedented 7 public school attack/privatization bills, K-12 public education came out of the 2013 Legislative Session not only intact but with several important victories.

The list of 20 bills below is intended to provide a brief summary of outcome for key bills in the 2013 Legislative Session. This is not intended as a comprehensive analysis of all bills that either passed or failed that will affect our members, but rather is a list limited to those bills upon which we specifically collaborated through our new coalition, founded out of a common belief that Montana’s public schools are succeeding, improving, innovative, efficient, supported by voters and in need of adequate funding to continue their good work with kids. The outcome of the bills listed below is a direct reflection of the value of our new and growing coalition and our commitment to use of the K-12 Vision Group process in setting our legislative priorities going forward.

Even without the prospect of the Governor’s help, upon which we are counting in hopefully defeating Senate Bill 81 and House Bill 239 through a Governor’s veto, our success rate on the bills below is 90%. We hope the success rate will rise to 100% once the Governor has determined whether to pass Senate bill 81 and House Bill 239.

**PART I: BILLS THAT WE SUPPORTED:**

Bill, Sponsor, Short title, Status	Key Elements
SB 175, Jones, Generally revise school finance laws, <b>Passed the legislature</b> pending governor’s signature. <i>Please ask Governor Bullock to sign in its present form without any line item veto.</i>	<ul style="list-style-type: none"> <li>•! Inflation on Per-ANB</li> <li>•! New prorated basic entitlement with substantial increase in first entitlement and second and subsequent entitlements at 50% of first entitlement.</li> <li>•! New Data for Achievement Payment</li> <li>•! Addresses Oil and Gas Impacts through concentric circles, 25% general fund budgeting obligation and exceptions from 130% retention level for small and growing districts</li> <li>•! Three enrollment counts per year to improve accuracy of ANB.</li> <li>•! Unusual enrollment increase trigger at lesser of 4% or 40 ANB.</li> <li>•! Allows levy authority to highest of 5 previous years.</li> <li>•! Allows proficiency-based ANB in the absence of required seat time.</li> <li>•! Provides authority to trustees to manage levy authority among different funds.</li> <li>•! Provides a dedication of excess interest and income from state lands to tax relief and school facilities repairs.</li> <li>• Freezes BASE property taxes starting in 2015 until state aid grows by at least \$50 million per year.</li> </ul>

HB 377, Woods, Restore actuarial soundness for TRS, <b>Passed the legislature</b> , pending governor's signature.	<ul style="list-style-type: none"> <li>Restores Actuarial Soundness of TRS system.</li> <li>Increases employer and employee contributions</li> <li>Uses state land revenues as a base-funding source for TRS.</li> <li>Restricts school district retirement accounts to 20% reserves and uses sweep to help restore actuarial soundness.</li> <li>Revises GABA</li> </ul>
HB 454, McChesney, Restore actuarial soundness for PERS, <b>Passed the legislature</b> , pending governor's signature	<ul style="list-style-type: none"> <li>Restores Actuarial Soundness of TRS system.</li> <li>Increases employer and employee contributions.</li> <li>Revises GABA.</li> </ul>
SB 191, Brown, Use of tuition levy for special ed costs, <b>Passed the legislature</b> , pending governor's signature.	<ul style="list-style-type: none"> <li>Allows use of tuition levy on a nonvoted basis to pay for unusual special education costs that are beyond funding levels available for each special education pupil.</li> </ul>
SB 348, Thomas, School safety act, <b>Passed the legislature</b> , pending governor's signature.	<ul style="list-style-type: none"> <li>Increases school district access to information regarding criminal wrongdoing by students processed through the Youth Court and Corrections systems.</li> <li>Allows school districts to access reserves in almost any fund (important exception for retirement, compensated absence and debt service) to fund school safety-related facilities improvements.</li> </ul>
SB 302, Arntzen, Revise board of education laws related to defining substantial fiscal impact, <b>Passed the legislature</b> , pending governor's signature.	<ul style="list-style-type: none"> <li>Provides a more stable and predictable process for estimating and ensuring funding for costs associated with Board of Public Education changes to the accreditation standards.</li> <li>Requires incorporation of costs associated with Board of Public Education rule changes in the present law base for K-12 education.</li> </ul>
HB 210, McClafferty, Digital academy funding, <b>Passed the legislature</b> , signed by the governor.	<ul style="list-style-type: none"> <li>Provides funding for growth in enrollments in the Digital Academy for the coming two years.</li> </ul>
HB 301, Halvorson, Revise/increase school district bonding limits, <b>Passed the legislature</b> , pending governor's signature.	<ul style="list-style-type: none"> <li>Increases bonding capacity for school districts from 50% of taxable value (current law) to 100% of taxable value (under HB 301).</li> </ul>

**PART II: BILLS THAT WE OPPOSED:**

Bill, Sponsor, Short Title, Status	Key Elements
HB 181, Balance, Allow trustees to define library media ratios (violated Board of Public Education's constitutional authority), <b>Dead</b> – Tabled in Senate Education	<ul style="list-style-type: none"> <li>Effect of the bill would have been to void a rule of the Board of Public Education. A 1992 opinion of Judge Sherlock of the First Judicial District held that the Board of Public Education has constitutional-based rulemaking authority, independent of Legislative control or oversight. This bill directly contradicted that holding. Given our reliance on the same Article X of the Montana Constitution for the constitutional power of elected school boards, we opposed this bill.</li> </ul>

<p>HB 213, Fitzpatrick, Tax credit for nonpublic education, <b>Dead</b>, Tabled in Senate Education</p>	<ul style="list-style-type: none"> <li>• Provided a \$550 tax credit for tuition paid to a private school with no limits on parochial education.</li> <li>• As originally introduced, would have allowed a single, unrelated individual to redirect existing tax liability into a multi-million dollar credit by paying \$550 for tuition of each private school student in the state.</li> <li>• Even as amended, would have cost approximately \$4 million annual in state <u>general fund support through the tax credit.</u></li> </ul>
<p>HB 239, Smith, Opt in for curriculum or activities involving sexual content or issues, <b>Passed the legislature</b>, <i>Please ask Governor Bullock to veto HB 239.</i></p>	<ul style="list-style-type: none"> <li>• Would require written permission of a parent before a child could attend a course of instruction, class period, assembly, organized school activity or instruction of any type that includes human sexuality issues.</li> <li>• Provides a complete exception from compulsory attendance for any child excused from even one class.</li> <li>• Appears to be designed to override book challenge, opt out and other school district policies.</li> <li>• Included a legal review note from legislative staff indicating the bill could violate the Board of Public Education's authority to exercise <u>general supervision over the public schools of Montana.</u></li> </ul>
<p>HB 288, Schwaderer Special education savings account for private education, <b>Dead</b>, Missed Revenue Transmittal Deadline.</p>	<ul style="list-style-type: none"> <li>• Pay voucher bill that would have funded such vouchers by removing funding from the school district where the student attends.</li> </ul>
<p>HB 315, Knudson, Charter Schools without elected school boards, <b>Dead</b>, Missed Revenue Transmittal Deadline.</p>	<ul style="list-style-type: none"> <li>• Proposed charter schools using an out of state template for anti-public education charter schools. Would have usurped authority of existing elected school boards and voters by allowing publicly funded education without elected school boards.</li> </ul>
<p>HB 357, Hansen, Special education savings account for private education, <b>Dead</b>, Missed Revenue Transmittal Deadline.</p>	<ul style="list-style-type: none"> <li>• Pay voucher bill that would have funded such vouchers by removing funding from the school district where the student attends.</li> </ul>
<p>HB 384, O'Neil, Guns on school grounds <b>Dead</b>, Missed General Transmittal Deadline.</p>	<ul style="list-style-type: none"> <li>• Would have allowed students to store guns in their cars on school grounds. Also included confusing and illogical definitions of what is not a gun.</li> </ul>
<p>HB 390, McNiven, Special education scholarships for private education, <b>Dead</b>, Missed General Transmittal Deadline.</p>	<ul style="list-style-type: none"> <li>• Pay voucher bill that would have funded such vouchers by removing funding from the school district where the student attends.</li> </ul>
<p>HB 423, Smith, Opt in for curriculum or activities involving sexual content or issues, <b>Dead</b>, Failed Third Reading in the Senate and then indefinitely postponed.</p>	<ul style="list-style-type: none"> <li>• Same bill as HB 239 above, but was drafted as a referendum bill that was not subject to the Governor's veto.</li> </ul>

<p>SB 333, Arthun, Eliminate defined benefit retirement plan and replace with cash balance plan, <b>Dead</b>, Missed appropriation transmittal deadline.</p>	<ul style="list-style-type: none"> <li>• Would have eliminated the defined benefit retirement plans for both TRS and PERS for new hires.</li> <li>• Would have substantially harmed recruitment and retention of employees in our public schools.</li> </ul>
<p>SB 81, Lewis, Provide tax credits for contributions to private scholarship organizations, <b>Passed the legislature</b>. <i>Please ask Governor Bullock to veto SB 81.</i></p>	<ul style="list-style-type: none"> <li>• Provides a tax credit for donations to private organizations that provide scholarships for private education.</li> <li>• Tax credit was set at 40% of donation for individuals and 20% for corporations and capped total tax credits to \$2.5 million in 2013 and increased by 30% for each year thereafter.</li> <li>• Scheduled to sunset December 31, 2019 and is applied retroactively to FY13 and onward.</li> </ul>
<p>SB 374, Lewis, Charter schools without elected school boards, <b>Dead</b>, Tabled in house education after we passed a substitute amendment replacing the entire bill.</p>	<ul style="list-style-type: none"> <li>• Was virtually identical to HB 315 as introduced. Proposed charter schools using an out of state template for anti-public education charter schools. Would have usurped authority of existing elected school boards and voters by allowing publicly funded education without elected school boards.</li> <li>• We successfully drafted and helped pass an amendment that struck the entire contents of the bill and replaced it with a charter school model based on Board of Public Education rule. Sponsor and original supporters defeated their own bill after our amendments passed the Senate.</li> </ul>