

MINUTES OF THE SENATE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Dwayne Umbarger at 1:30 p.m. on February 21, 2002 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Ben Barrett, Legislative Research
Theresa Kiernan, Revisor of Statutes
Dale Dennis, Deputy Commissioner of Education
Judy Steinlicht, Secretary

Conferees appearing before the committee: Steve Nilhas, USD 281, Hill City

Others attending: See Attached List

Chairman Umbarger recognized Jim Weis, Wolfe River Leadership Academy, and his group of about twenty who were visiting the Senate Education Committee today.

SB551--School finance; consolidation and reorganization of districts

Hearings were continued on **SB551**. Steve Nilhas, USD 281, Hill City addressed the Committee on the consolidation of his district with USD 280, West Graham-Morland. The two districts have worked together for several years and have had cooperative sports teams and programs, with both boards working together trying to figure out how to best educate kids and serve the community. They came to the decision to consolidate and the process that USD 280 chose was to disorganize and to request that district be attached to another district which would be USD 281. They had a hearing and there was no opposition locally. They knew of the provision in the law that the remaining district would receive the total funding of the two schools involved for two years and that legislation would be required for them to receive this funding under disorganization. Steve feels that extending the provisions of **SB551** to five years will encourage districts to come together and do the right thing.

Chairman Umbarger explained a supplemental note on **SB551** with changes that were proposed in the Committee meeting on February 20, 2002. The current law provides for a consolidated school to receive the total amount of State Financial Aid to which both districts were entitled, for the current year and the following year. **SB551** originally extended the time to the current year plus four years. The proposed amendment would reduce the time to the current year plus the next three school years. The bill will include both consolidation and disorganization and attachment effective with the 2001-2002 school year to include the proceedings which have begun in USD280 and USD 281. (Attachment 1)

Senator Vratil made a motion to amend **SB551** in accordance with the attached balloon, but in addition, on Line 26 and on Line 43 to strike the words and for the next succeeding school year. The balloon will read "For the next succeeding three school years, the state financial aid shall be the greater of: (1) The amount received in the preceding school year; or (2) The amount the district would receive under the school district finance and quality performance act prior to amendment by this section." (Attachment 1) Seconded by Senator Teichman. After discussion, it was determined that the motion would include that this provision would only apply when all of the territory of the district being disorganized is attached to one other district because of the problem of splitting the budget to more than one school. Motion carried. (Attachment 2)

Senator Teichman made a motion to recommend favorably **SB551** as amended. Seconded by Senator Schodorf. Motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION at on February 21, 2002 in Room 123-S of the Capitol.

SB526--School finance; increases base state aid per pupil by \$20.

Chairman Umbarger explained that this bill was written on the Governor's recommendation to add \$20 to the base state aid per pupil. The fiscal note on this bill would be approximately \$11 million, but the bill does not include funding. Chairman Umbarger states that this bill will make a statement that education is a priority. The Committee does not believe that \$20 is a sufficient increase, but it is a start and it is something to build on.

Senator Corbin made a motion to pass SB526 favorably. Seconded by Senator Emler. Motion carried with one no vote.

SB533-- School finance; base state aid per pupil, annual adjustments based on CPI-U

Theresa Kiernan, Revisor's office, explained that **SB533** included provisions for a \$20 increase in base state aid, tied to the inflation factor and an increase the correlation weighting from 1725 to 1700. After discussion, Chairman Umbarger stated it was not his desire to work the bill today. The Committee should think about the bill for possible discussion at a later date.

Meeting adjourned 2:30 p.m.