

HOUSE and SENATE CONFERENCE COMMITTEE

HB 1

April 25, 2005

5:07 p.m.

CALL TO ORDER

Senator Wilken called the HB 1 Conference Committee meeting to order at [5:07:17 PM](#).

MEMBERS PRESENT

Senator Wilken	Representative Meyer
Senator Green	Representative Chenault
Senator Hoffman	Representative Gara

MEMBERS ABSENT

None

#hb1

SUMMARY

CS FOR HOUSE BILL NO. 1(HES)

"An Act relating to the base student allocation used in the formula for state funding of public education; and providing for an effective date."

and

SCS FOR CS FOR HOUSE BILL NO. 1(FIN)

"An Act relating to the base student allocation used in the formula for state funding of public education; and providing for an effective date."

HB 1 was heard and HELD in Committee for further consideration.

Chair Representative Meyer reviewed conference committee rules under Uniform Rule 42.

Representative Chenault MOVED to have the Senate recede from their amendments to HB 1.

Senator Wilken OBJECTED.

Co-Chair Wilken explained the intent of the Senate approach to HB 1. The Senate has tied the passage of HB 1 to the passage of retirement reform legislation (SB 141). HE emphasized the need to address the retirement issue, which also affects teachers. He acknowledged the importance of the

issues and the level of concern demonstrated by those that were present and those that had participated in the process.

Representative Gara spoke in support of the House version. He stressed that while the issues are serious, they are separate. He could not support holding back money to reduce class size contingent on the right of teachers to have a pension. He noted that the \$4,919 [base student allocation] will still result in layoffs. He noted that the pension issue is moving and requested that the issues be considered separately. He emphasized that school funding had always been considered as a separate issue.

[5:14:39 PM](#)

Senator Hoffman acknowledged the projected deficit of \$5.7 million in the retirement system, but maintained that the retirement system is fully funded. The problem lies in the health care component of the system. He felt that a better solution would be splitting the defined contribution with a tightened defined benefit: 50/50. He observed that HB 1, nor SB 141 addresses this issue of the \$5.7 million "hole". He maintained that the issues should be addressed separately to obtain the best solution.

[5:16:47 PM](#)

Senator Green stressed that there has been a number of discussions since the previous year. Plans presented to the TRS and PERS boards were turned down. The legislation is an attempt to strike a balance. She spoke in support of the retirement investment plan. She maintained that the Senate retirement proposal would create an attractive investment plan for employees. She observed that this is the most difficult issue that she had faced in her tenure as a legislator. The cost of retirement is growing. She disagreed that the TRS and PERS funding is a separate issue from the student base allocation and pointed out that a large percentage of [education funding] goes toward retirement. She maintained that in the future, only two teachers would be hired for every three of today if there is not a solution.

[5:21:22 PM](#)

Representative Chenault observed the desire for adequate and early funding of education. He acknowledged the importance of resolving the PERS and TRS issue as "the biggest issue we are going to face". He noted that SB 141 is moving through the system, but emphasized the attempt to take care of education funding.

[5:23:48 PM](#)

Representative Meyer noted the attempt to early fund education and pointed out that contingency language was added to HB 1. He agreed that PERS and TRS funding is a major issue. He spoke in support of separating the issues.

5:25:06 PM

Senator Wilken expressed the desire to reach an acceptable conclusion. He pointed to the passage of HB 158.

Representative Meyer expressed the hope that some resolution would occur regarding SB 141.

5:27:32 PM

Representative Gara noted that there are two issues and contingency language doesn't allow discussion on other options short of a complete reforming of the pension plan.

A roll call vote was taken on the motion.

IN FAVOR:

Senate: Hoffman

House: Gara, Chenault, Meyer

OPPOSED:

Senate: Green, Wilken

The MOTION FAILED.

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ADJOURNMENT

The meeting was adjourned at 5:30 PM