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Education and Local Government Interim Committee

61st Montana Legislature

SENATE MEMBERS

KELLY GEBHARDT--Vice Chair
GARY BRANAE
KIM GILLAN
BOB HAWKS
DANIEL MCGEE
JIM PETERSON

HOUSE MEMBERS

WANDA GRINDE--Chair
ELSIE ARNTZEN
RUSSELL BEAN
BOB LAKE
EDITH MCCLAFFERTY
CHERYL STEENSON

COMMITTEE STAFF

LEANNE HEISEL, Research Analyst
JEREMY GERSOVITZ, Staff Attorney
CLAUDIA (CJ) JOHNSON, Secretary

MINUTES

March 12, 2010
Rm 137

Capitol Building
Helena, Montana

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COMMITTEE MEMBERS PRESENT

SEN. KELLY GEBHARDT, Vice Chair
SEN. GARY BRANAE
SEN. KIM GILLAN
SEN. BOB HAWKS
SEN. DANIEL MCGEE
SEN. JIM PETERSON

REP. ELSIE ARNTZEN
REP. RUSSELL BEAN
REP. BOB LAKE
REP. EDITH MCCLAFFERTY
REP. CHERYL STEENSON

COMMITTEE MEMBERS EXCUSED

REP. WANDA GRINDE, Chair

STAFF PRESENT

LEANNE KURTZ, Research Analyst
JEREMY GERSOVITZ, Staff Attorney
CLAUDIA (CJ) JOHNSON, Secretary

Visitors

Visitors' list, Attachment #1.
Agenda, Attachment #2.

COMMITTEE ACTION

The Education and Local Government Interim Committee:

- **approved** the Shared Policy Goals and Accountability Measures subcommittee's draft shared policy goals.
- **did not approve** the motion to require a 2/3 majority vote to be used when making an agency draft bill.

CALL TO ORDER AND ROLL CALL

00:00:37 Sen. Gebhardt chaired and called the committee to order at 7:58 a.m. The secretary called the roll. Attachment #3.

00:01:35 Leanne Kurtz, Research Analyst gave an overview of the agenda and noted several changes for today's meeting.

AGENDA

HJR 32 study of historic preservation

- ▶ **Structure and funding of historic preservation programs in other states -- Barbara Pahl, Director, Mountain/Plains Office, National Trust for Historic Preservation**
- ▶ **Montana program snapshots -- Leanne Kurtz, ELG staff**
- ▶ **Virginia City/Nevada City: Montana Heritage Commission accomplishments, future needs -- Paul Reichert, Executive Director**
- ▶ **Chere Jiusto, Montana Preservation Alliance**

00:06:24 Ms. Kurtz distributed a handout of the various historic preservation programs (**Exhibit 1**) and discussed the Cultural and Aesthetic Grant Program (C&A), how it is administered, who administers the grants, and where the grants are being used.

00:12:48 Helen Thigpen, LSD Staff Attorney, discussed the State Historic Preservation Office. (See Exhibit 1)

00:15:24 Ms. Kurtz addressed the Montana Main Street Program and talked about the projects that Main Street is involved in. The program only provides technical assistance and advice to the communities. (See Exhibit 1)

00:18:43 Ms. Thigpen gave an overview of the Montana Heritage Preservation and Development Commission, and explained how the Commission is managed, developed, and how it operates the Commission's properties. (See Exhibit 1)

00:21:23 Ms. Kurtz talked about the six main programs that are located at various places throughout the state and discussed how the Commission is working to bring them

together.

00:22:27 Rep. Lake wanted to know the costs of the programs. Ms. Kurtz distributed a handout showing the projects, their location, and the ARRA funds that have been distributed by the Department of Commerce. **(Exhibit 2)**

00:24:20 Marty Tuttle, Chief Legal Counsel, Department of Commerce, informed the committee about the \$3.9 million that have been contracted and that some of the projects that were let earlier are continuing.

00:26:11 Ms. Pahl gave a presentation on historic preservation programs in the United States and Montana. She also gave an overview on the structure of the preservation programs and how Montana compares to other states. **(Exhibit 3)**

ELG comments and questions

00:52:09 The committee members asked questions of Ms. Pahl regarding the funding for historic programs, where the funding is going, and how Montana is different from other states.

00:58:56 Ms. Jiusto talked about Montana's historic programs, and asked that the interim committee look at ways to assist in the funding of these historic projects.

01:11:10 Mr. Reichert distributed a handout showing photos of projects taking place at Virginia City and Nevada City, Montana. **(Exhibit 4)** He asked the committee for suggestions and ways to assist with the funding to keep these historic sites in operation.

01:25:46 The committee members and Mr. Reichert talked about the funding of administration costs for the historic sites. The committee discussed taking a tour of Virginia City and Nevada City following the next meeting in June.

01:30:52 Rep. Bob Ebinger gave an overview of the economic development of the historic sites and the funding that provides jobs and income for Montana. He asked that the Department of Commerce continue with the process of ranking the projects for grant funding.

01:35:07 Ms. Casillas informed the committee that Governor Schweitzer has suspended funding from HB 645. She said there are 50 historic projects that did not get their applications finalized.

01:39:05 The committee discussed the suspended funds and when will the funds be released. The committee asked where the State's budget needs to be for the remainder of the HB 645 funds to be released. The funds are labeled as displaced state funds that allow for one-time only projects.

Public Comment

01:59:54 Cary Hegreberg, Montana Contractors Association (MCA), talked about the shovel ready projects. He said that construction jobs are down 3,000 members, and that local governments could be left holding the bag. He stated that the

economy in Montana is not going to turn around until local governments have the money to put people to work. He urged the committee members to continue to ask the tough questions.

- 02:09:51 Carlotta Grandstaff, Ravalli County commissioner, talked about the county's projects for which funding has been frozen. Sen. Gebhardt asked if the county has received any of the funding to start their projects. She said not at this time because the rankings will not be completed until the end of February, but the county has not heard anything.
- 02:03:38 Harold Blattie, Montana Association of Counties (MACo), informed the committee that every district received an authorization to proceed letters dated May 29, for the cities and counties to go ahead with their projects.
- 02:12:40 Ms. Casillas responded to the committee's comments and the project awards. Rep. Arntzen asked if the information is being shared with the local governments and the status of the funds, and if there will be any opportunity for public hearing regarding the process.
- 02:20:07 David Ewer, Director of the OBPP, discussed why the funding is frozen. He talked about expectations and projections of the fund balance.
- 02:29:48 The committee and Director Ewer discussed what the priorities will be when the funds are released. They talked about payments to the cities and counties for the remaining 10% of the funds to complete their projects.
- 02:31:21 Sen. Gebhardt asked about the timing of contracts that have been entered into and release of funding.
- 02:33:58 Sen. McGee asked if HB 645 has a mandate how the money should be spent. Mr. Ewer responded that his instruction is to free up general fund monies. He said it is a unique situation.
- Wildland-urban interface**
- ▶ **The evolution of SB 51 (2007) - Leanne Kurtz**
 - ▶ **Implementation of SB 131 (2009) - Leanne Kurtz (intent), Bob Harrington (implementation), Myra Shults (technical considerations, MACo perspective)**
- 02:37:17 Ms. Kurtz distributed a handout showing how SB 51 and SB 131 evolved. **(Exhibit 5)**
- 02:59:23 The committee discussed the mapping of the Wildland-urban interface (WUI)
- 03:03:54 Mr. Harrington gave a PowerPoint presentation on DNRC's implementation of SB 131. **(Exhibit 6)**
- 03:32:07 Rep. Bean discussed the mapping being done through the fire service areas. Mr. Harrington said that each county fire chief is currently involved in this process.

- 03:35:25 Sen. Gebhardt commented about the Healthy Forests Initiative and federal monies made available for jobs to make the forest more healthy. Mr. Harrington said that DNRC applies for funding for fire mitigation through the U.S. Forest Service. DNRC receives only \$1 million a year for this purpose, and that is distributed to the various local fire departments.
- Public Comment**
- 03:40:23 John Hagengruber, Chief State Liaison for the USFS, stated his support for Mr. Harrington and DNRC regarding the fire management program. He also stated his support for the WUI mapping program.
- 03:42:25 Richard VanAuken, Teton County Fire Chief, commented on WUI mapping and Community Wildfire Protection Plans.
- 03:44:12 Byron Bonney, Fire Behavior Analyst from Ravalli County, explained how they have developed and revised Ravalli's CWPP. He distributed and explained a map of the WUI in Ravalli County. **(Exhibit 6)**
- 03:51:22 James Rokosch, Ravalli County commissioner, discussed the WUI and how it affects that area. He distributed a handout. **(Exhibit 7)**
- 04:03:54 Carlotta Grandstaff, Ravalli County commissioner, distributed a handout showing grants awarded for hazardous fuel reduction. **(Exhibit 8)**
- 04:17:04 **Lunch**
- 04:40:52 Sen. Gebhardt called the committee back to order.
- OPI Reports: Schools of Promise**
- ▶ **Denise Juneau, Superintendent of Public Instruction**
- 04:41:05 Ms. Juneau gave a PowerPoint presentation of a program called "Schools of Promise." **(Exhibit 9)** She addressed OPI's five strategic directions that deal with the state and federal goals.
- ELG comments and questions**
- 05:23:26 The committee asked questions of Ms. Juneau about the challenges facing education in the school system.
- School district and county budget timelines bill**
- ▶ **Jeremy Gersovitz, ELG Staff Attorney**
- Regents workgroup**
- ▶ **Regent Todd Buchanan, Workgroup Chair**
- 05:41:04 Mr. Buchanan gave an update of the Board of Regents workgroup meeting and the priorities it has set in place. He discussed reform and reinvention of two-year colleges.

OCHE updates SJR 2 proposed statute changes

▶ **Mary Sheehy Moe, Deputy Commissioner for Two-Year Education, Office of the Commissioner of Higher Education (OCHE)**

06:03:54 Sheila Stearns, Commissioner of the Office of the Commissioner of Higher Education (OCHE), spoke for Deputy Commissioner Sheehy Moe. She introduced Catherine Swift, Board of Regents (BoR) Legal Counsel for the Montana University System (MUS). Ms. Swift talked about community college elections.

06:11:42 Rep. Lake asked Ms. Swift to draft legislation for this issue.

2:00 **K-12/Higher Education Shared Policy Goals and Accountability Measures subcommittee reports**

▶ **Rep. Lake, subcommittee chair; subcommittee members; and staff**

06:27:24 Rep. Lake said the subcommittee members will present their report to the full ELG committee:

- ▶ Joyce Silverthorne, OPI, gave a presentation of the four quadrant goals. **(Exhibit 10)**
- ▶ Ms. Silverthorne distributed and explained a handout that addresses the K-12 Shared Policy Goals and its proposed objectives. **(Exhibit 11)**

ELG comments and questions

06:36:42 The committee members and Madalyn Quinlan, OPI, talked about the Race to the Top program and its involvement in Montana schools. The application for Race to the Top has been submitted and OPI will know if the grant will be approved in Sept. 2010.

06:42:24 Tyler Trevor, Deputy Commissioner, OCHE, distributed a handout of the Strategic Plan for BoR, which he explained. **(Exhibit 12)**

06:49:04 The committee members asked how the strategic plan will work.

06:54:57 Sen. Gebhardt asked Rep. Lake about the shared goals and how close is the subcommittee in reaching its goal. Rep. Lake reported that the K-12 work is beyond what the subcommittee expected to reach, but K-20 is still being worked on.

06:57:46 Kris Wilkinson said that the full committee should adopt the draft measurements so the subcommittee can move forward.

06:58:29 Mr. Trevor reported on the K-20 goals. He distributed a handout regarding the K-20 Shared Policy Goals, which he explained. **(Exhibit 13)**

07:02:42 The committee discussed how it will measure goals and objectives.

07:14:46 Commissioner Stearns and Ms. Quinlan discussed programs that schools are currently participating in.

07:17:35 Mr. Trevor continued with his explanation of the shared policy goals.

Motion

07:20:03 Rep. Lake made a motion to approve the K-12 and K-20 goals, which will allow the process to move forward.

Discussion

07:20:49 Mr. Barrs stated that the goals and objectives can still be reworded/changed. He said the committee is only approving the measurements.

07:21:52 Rep. Lake restated his motion to say draft because the goals/objectives are not set in stone.

07:23:06 The committee discussed the K-12 and K-20 goals.

07:23:35 Ms. Quinlan talked about performance measurements and that the strategy of reaching the measurements are not an issue.

07:24:23 Rep. Lake commented that these goals will provide what is to be expected from the educational system.

07:27:35 Steve Meloy, Board of Public Education (BPE), commented that the subcommittee has given the BPE more attention than any other committee and direction on how to work with its problems.

Motion/vote

07:36:29 The motion was made to approve the K-12 and K-20 shared policy goals. The motion **passed**. Sen. McGee voted no. Sen. Peterson and Rep. Grinde voted aye by proxy.

Education funding/local government funding follow-up (*if necessary*)

- ▶ **March 3 Legislator budget training**
- ▶ **March 4 LFC meeting follow-up; discussion of any committee questions or requests for more information**
- ▶

07:38:35 Sen. Gebhardt and Ms. Kurtz discussed the legislative training that took place on March 3.

07:39:47 Rep. Arntzen, Sen. Gillan and Ms. Joehler discussed state revenues.

07:43:10 Ms. Kurtz distributed a handout that provides updated information asked earlier by the committee regarding ARRA contracts, and if they are binding. **(Exhibit 14)** Ms. Kurtz discussed local government entitlement share distribution.

07:53:01 The committee asked questions of Joyce Silverthorne regarding data collected for individual schools. Ms. Silverthorne informed the committee that aggregated data could be pulled together with a minimum of some preparation.

07:55:03 Sen. Gillan asked that in the future if the University System could give a report on the budget cuts and their effects.

School district and county budget timelines bill

▶ **Jeremy Gersovitz, ELG Staff Attorney**

07:58:05 Mr. Gersovitz reported on the timelines of the school district and county budget. Sen. Gebhardt commented that the dates should not be set but allow 30 days, 45 days, etc. instead of August.

08:02:05 Harold Blattie, Montana Association of Counties (MACo), gave an overview regarding how the dates are set and how the funding works.

Education-related public comment

08:08:06 Bruce Nelson, Billings, gave a report on the 95 mill money in the tax increment districts and offered a proposal to put the money back to its original place.

4:30 **Administrative rule review -**

▶ **Jeremy Gersovitz, Staff Attorney**

08:21:46 Mr. Gersovitz distributed and explained a report from BPE. **(Exhibit 15)**

ELG review of agency legislation

▶ **Continued discussion of the process and determination of vote to be required**

08:24:54 Ms. Kurtz distributed and explained the guidelines for interim committee review requests and timelines of an agency bill. **(Exhibit 16)**

08:28:58 Rep. Lake commented that bills requested by ELG should require a super majority and not a simple majority vote.

08:30:55 Ms. Kurtz explained the difference between an ELG committee bill and a bill ELG requests on behalf of an agency and said the committee should decide today if the ELG committee vote should require a majority or a simple majority.

08:33:25 Sen. Gillan and Ms. Kurtz discussed how agency bills will be considered at the June 2010 meeting. Ms. Kurtz listed the agencies whose draft legislation ELG reviews.

Motion

08:40:12 Rep. Lake made a motion to require a 2/3 vote to approve an agency bill.

Discussion

Sen. Branae gave his reason why he wouldn't vote on this motion. He read a comment from Exhibit 16. The committee members discussed how the voting will be held such as: a super majority 2/3 or 3/4 or a simple vote and what it takes to get an agency bill draft request out.

Rep. Arntzen asked if proxies will work. Sen. Gebhardt said yes. Sen. McGee said that several interims ago that the full committee voted as a simple majority. Ms. Kurtz said the committee's name does not appear on the introduced bill; rather it's the agency that request the draft.

Vote The question was called. Roll call was taken. Motion failed 5 to 7. **(Exhibit 17)**
Rep. Grinde voted no by proxy. Sen. Peterson voted aye by proxy.

08:47:04 The committee discussed taking a tour to Virginia City and Nevada City. Ms. Kurtz will make the arrangements and get back to the committee. The date is set for June 12, 2010.

08:49:37 Rep. Steenson announced that she is resigning from the Legislature after this meeting and moving to Columbia.

08:50:26 Harold Blattie, MACo, discussed contracts and include a funding contingency clause. He said that legislation does not require a contract nor is there any rule making authority. Mr. Blattie expounded on the \$10 million in stimulus funds that must be allocated to the counties and cities. He discussed the funds being expended by Sept. 30, 2010 or revert back to the general fund.

Adjournment

There being no further discussion, Sen. Gebhardt adjourned the committee at 4:51 p.m.