



## Education and Local Government Interim Committee

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### 62nd Montana Legislature

#### SENATE MEMBERS

GARY BRANAE--Vice Chair  
TOM FACEY  
BOB HAWKS  
LLEW JONES  
BOB LAKE  
FREDERICK (ERIC) MOORE

#### HOUSE MEMBERS

ELSIE ARNTZEN--Chair  
KRISTIN HANSEN  
EDITH (EDIE) MCCLAFFERTY  
ROBERT MEHLHOFF  
JEAN PRICE  
MATTHEW ROSENDALE

#### COMMITTEE STAFF

LEANNE KURTZ, Lead Staff  
DANIEL WHYTE, Staff Attorney  
CJ JOHNSON, Secretary

# MINUTES DRAFT

September 13, 2012  
Room 102

Capitol Bldg  
Helena, MT

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

### COMMITTEE MEMBERS PRESENT

REP. ELSIE ARNTZEN, Chair  
SEN. GARY BRANAE, Vice Chair

SEN. TOM FACEY  
SEN. BOB HAWKS  
SEN. LLEW JONES  
SEN. BOB LAKE  
SEN. FREDERICK (ERIC) MOORE

REP. KRISTIN HANSEN  
REP. EDITH (EDIE) MCCLAFFERTY  
REP. ROBERT MEHLHOFF  
REP. JEAN PRICE  
REP. MATTHEW ROSENDALE

## **STAFF PRESENT**

LEANNE KURTZ, Lead Staff  
DANIEL WHYTE, Staff Attorney  
CJ JOHNSON, Secretary

## **Visitors/agenda**

Visitors' list, [Attachment #1](#).  
Agenda, [Attachment #2](#).

## **COMMITTEE ACTION**

The Education and Local Government Interim Committee approved the following:

- write a letter to the Legislative Council who suggested a bill request from ELG to study the K-12 resolution, and change the word "resolution" to "recommendation".

## **CALL TO ORDER AND ROLL CALL**

00:00:09 Rep. Arntzen called the committee to order at 7:30 a.m. The secretary called roll. Attachment #3. Rep. Arntzen submitted a proxy. [Attachment #4](#)

00:01:48 Leanne Kurtz, Research Analyst, LSD, gave an overview of the committee's agenda and an update of the Committee's final report.

00:04:11 Ms. Kurtz introduced Laura Sankey, LSD attorney, who will be the legal staff for the next ELG interim committee.

## **AGENDA**

### **SJ 28 follow-up: Student achievement and states' use of performance contracts for nonpublic schools that have some level of public funding:**

- **Sen. Jones**
  - **Josh Cunningham, Research Analyst, Education Program, NCSL**
- 00:05:41 Mr. Cunningham, policy specialist with NCSL, gave an overview of Charter schools via poly com phone. He talked about special needs children, traditional and low income children, and how other states operate charter schools. Montana does not have any charter schools at this time. A handout from Mr. Cunningham was distributed, which explains Charter schools in other states compared to traditional schools. [Exhibit 1](#)

### **Committee comments and questions**

The committee discussed the following issues regarding charter schools:

- costs;
  - bonds;
  - alternative choices;
  - public schools vs. charter schools
  - vouchers; and
  - accountability testing.
- 00:15:08 Sen. Jones  
00:22:22 Rep. Arntzen

00:25:01 Rep. McClafferty  
00:28:52 Sen. Hawks  
00:32:10 Sen. Jones  
00:36:04 Rep. Arntzen

### Public comment

00:37:24 Lance Melton, Montana School Board Association, distributed a handout explaining issues about cost analysis and the implementation of the cost of Chapter 55. **Exhibit 2** Mr. Melton asked that the legislature contemplate school districts handling the cost increase. He talked about global evaluations; broader principles; Ch. 55 process; language; production; and, his concerns regarding the changes and the need to validate those changes.

00:41:46 Ms. Kurtz distributed a report showing the fiscal impact of revisions to rules of school accreditation by Robert Miller, Fiscal Analyst, Legislative Fiscal Division (LFD). **Exhibit 3**

00:45:31 Mr. Melton also reported on: performance requirements; costs of at-risk children; student population that have school lunches; high poverty; accreditation standards; and, schools that are not performing. He commented that LFD has missed the cost of the system within the schools. Mr. Melton said in huge part that LFD's estimates compared to what is needed for schools to implement changes does not cover the needs of school districts.

00:50:03 Sen. Jones talked about the spread between LFD's report compared to Mr. Melton's report. Sen. Jones gave an overview of model reviews from other states, and said that Mr. Milton's comments do not identify performance of accreditation. He said that OPI is analyzing current data.

### Committee comments and questions

The committee discussed LFD's report (see Exhibit 3), and its wide gap in comparison to Mr. Melton's report. They talked about: implementation of changes suggested by Mr. Melton and its effect on school districts and their needs; the use of a bench mark for a starting point; common core; and, Sen. Hawks wanted to be on record regarding "the viability of science in the classroom relates to the training of the staff in the classroom, and that we do not allow this flexibility to congregate in a particular area because it is an easy way out!" The committee talked about competitiveness and scholarships; and, OPI's estimate cost of \$34 million compared to \$40 million suggested by Mr. Melton to develop common core programs.

01:01:16 Sen. Facey  
01:06:36 Sen. Hawks  
01:09:50 Rep. Mehlhoff  
01:11:40 Sen. Jones  
01:13:14 Rep. Hansen

01:14:24 Dave Puyear, Executive Director, Montana Rural Education Association (MREA), talked about two issues that are important to his organization:

1. Performance requirements: (a) a model that make schools work; (b) most critical is evaluation of staff; and (c) a pure review panel.

2. Local control: (a) the disconnect between LFD expense standards report compared to Mr. Milton's report. There are sources that say the LFD data sets are weak.

### **K-12 Education Funding - Jim Standaert, Senior Fiscal Analyst, Legislative Fiscal Division**

- **District general fund**
- **SB 329 (2011)**

01:23:57 Mr. Standaert distributed and explained a PowerPoint presentation. [Exhibit 4](#)  
He gave an overview of schools finances, funds, and training. He also presented information regarding K-12 education funding. [Exhibit 5](#)

### **Committee comments and questions**

01:36:10 The committee asked questions about budgets for schools: base funding; maximum funding for districts; state law requiring funding; levy and non-levy revenue; PELT funds and forest service funds used for schools; and apportionment.

### **Break**

02:20:51 Rep. Arntzen called the committee back to order.

02:21:27 Mr. Standaert continued with his PowerPoint presentation.

02:22:30 Ms. Kurtz distributed a handout of SB 329 [Exhibit 6](#)-sponsored by Sen. Ryan Zinke in 2011, which increases the basic and per-ANB entitlements by 1% in FY 2012, and by 2.43% in FY 2013 (the latter was dependent upon HB 316 failing, which it did).

### **Committee comments and questions**

The Committee asked questions of Mr. Standaert.

02:29:19 Sen. Facey

02:52:57 Sen. Jones

03:04:24 Sen. Hawks

### **Common Core and Ch. 55 Accreditation Standards**

- **Update on Common Core cost estimates, Rob Miller, Fiscal Analyst, Legislative Fiscal Division (LFD)**
- **Report on Ch. 55 Board of Public Education hearing - Leanne Kurtz**
- **Report on Ch. 55 cost estimates, Rob Miller, LFD**

03:10:42 Mr. Miller distributed handouts addressing the changes in response to the costs of implementation and reassessment based on the results of surveys done by LFD. [Exhibit 7](#) & [Exhibit 8](#)

### **Committee comments and questions**

The committee talked about how higher education teachers now including the standards in their curriculum when training student teachers. Sen. Lake wanted to be on record to make sure that the standards is included in the higher educational system's curriculum.

03:12:43 Sen. Hawks

- 03:13:49 Sen. Lake  
03:19:53 Sen. Facey
- 03:21:00 Rep. Arntzen asked Amy Carlson, Executive Officer of the LFD, to provide the committee with information how reports from her office are generated.
- 03:21:22 Amy Carlson reported on the Fiscal Division and how they receive data for funding of schools.

#### **Motion**

- 03:25:31 Sen. Facey made a motion that the committee accept the LFD draft report (Exhibit 3), and encourage LFD to continue their work so members of the next legislature will have access to the report.
- 03:25:55 Ms. Kurtz clarified that the motion is to accept the common core draft report which is separate from Chapter 55. She said the committee can encourage the LFD to complete their report as Robert Miller has reported.
- 03:26:42 Rep. Arntzen reiterated that "acceptance" does not mean agreement. The ELG committee is only agreeing to **accept** the report as it continues through the drafting process.

#### **Discussion**

The committee discussed accepting Mr. Miller's report out of committee when it is not completed.

- 03:27:09 Sen. Lake  
03:28:13 Rep. Mehlhoff
- 03:29:24 Rep. Arntzen and Ms. Kurtz discussed going forward with the draft.
- 03:30:03 Sen. Branae suggested using the word "acknowledge" instead of "accept".

#### **Motion withdrawn**

- 03:32:01 Sen. Facey **withdrew** his motion.
- 03:33:06 Ms. Kurtz distributed a handout of the 2011-2013 ELG K-12 study resolution. **Exhibit 9**

**Public comment** - None

#### **Chapter 55 - Accreditation Standards**

- 03:32:35 Ms. Kurtz distributed a handout and explained the Chapter 55 Accreditation Standards from the Board of Public Education(BPE) hearing. **Exhibit 10**
- 03:33:20 Mr. Miller continued with his report. (see Exhibit 3 - Mr. Standaert had addressed parts of this in his PowerPoint presentation).

#### **Committee comments and questions**

- The committee talked about how new teachers need mentoring.
- 03:53:52 Sen. Hawks

- 03:56:47 Dr. Dennis Parman, Deputy Superintendent OPI,
- 03:59:54 Mr. Miller continued with his report of Ch. 55. Mr. Miller talked about professional bullying, and how most school districts currently have a rule in place to address this issue. He concluded that this report is not a significant impact to the schools, but it may have a commutative affect.
- 04:07:48 Madalyn Quinlan, Office of Public Instruction (OPI), gave an overview of Ch. 55, how the task force came to its conclusion, and the mentoring of new teachers.

#### **Committee comments and questions**

The committee discussed one time only funding; implementation of the new common core standards; teachers being trained to teach new common core standards; schools operating on current budgets, and, the committee was informed that the new digital testing is not available until 2015.

- 04:13:58 Rep. Arntzen
- 04:14:20 Rep. Hansen
- 04:19:03 Rep. Arntzen
- 04:19:51 Rep. Arntzen said the Board of Public Education (BPE) is meeting today in Wolf Point to vote on three policies that Mr. Miller presented earlier.

**Public comment - None**

#### **State Heritage Properties Report (Section 22-3-423)**

**Mark Baumler, State Historic Preservation Officer;**

- **Presentation of "Montana's Shared Heritage: First Biennial Report on the Status, Condition, and Stewardship of Montoana's State-owned Heritage Properties"**
  - **PRB or SHPO recommendations**
- 04:21:33 Ms. Kurtz gave an updated report of the State Heritage Properties issues.
- 04:22:18 Mark Baumler distributed a brochure called Montana's Shared Heritage. He said this is the first report on the status, condition, and stewardship of Montana agencies. [Exhibit 11](#)

#### **Committee comments and questions**

- 04:34:30 Sen. Hawks thanked Mr. Baumler for his leadership and stepping up to the plate.
- 04:35:15 Sen. Lake asked about a website on-line regarding Heritage issues. Ms. Kurtz said she has sent a link of the website to the members.
- 04:37:03 Char Jiusto, Montana Executive Director of Community Alliance, reported on the Montana Historic Alliance, and thanked Mr. Baumler on his good report.

#### **2013 Legislature: cities and towns**

- **Alec Hansen, MONTANA League of Cities and Towns**
- 04:40:11 Mr. Hansen gave an overview of the League of Cities and Towns. He updated

the committee of the Bakken oil fields which are receiving \$250 million from oil and gas and the cities and towns are only receiving 1% (\$2 million) of these funds. Mr. Hansen talked about subdivisions, sales and rent. He said that zoning should take care of the issues.

### **Committee comments and questions**

The committee discussed various ways on how to find solutions to handle delinquent property taxes so people do not lose their homes.

04:51:06 Sen. Lake  
04:54:09 Sen. Branae

### **Break for lunch**

05:13:10 Rep. Arntzen had to leave. Sen. Branae called the committee back to order.

### **Interim K-12 Funding Study (Section 20-9-309, MCA)**

- **Report on Legislative Council discussion/action - Leanne Kurtz**
- **Recommendation from Reps. Mehlhoff and Hansen and Sens. Lake and Hawks**

### **Committee comments and questions**

The committee gave their opinions regarding interim committee studies, and talked about recommendations in going forward with legislation. They discussed going back to the basic intent of interim committees and look more into goals and funding shifts. The committee members said they are concerned about losing knowledge due to term limits.

05:14:14 Sen. Lake  
05:15:41 Sen. Hawks  
05:23:44 Rep. Mehlhoff  
05:25:00 Sen. Facey  
05:25:47 Sen. Jones  
05:28:05 Sen. Lake  
05:29:52 Sen. Hawks  
05:31:56 Rep. Rosendale

### **Motion**

05:33:07 Sen. Hawks made a motion to approve the ELG study resolution. (see Exhibit 9)

05:33:42 Ms. Kurtz said the Legislative Council has suggested a bill request. She said if this study is adopted it will have the next interim committee to study this resolution.

### **Discussion**

The committee addressed the four **WHEREAS's** listed in the study resolution, (see Exhibit 9), write a letter to the Legislative Council signed by Rep. Arntzen.

05:34:37 Sen. Hawks  
05:34:51 Sen. Lake  
05:35:25 Sen. Branae  
05:35:48 Sen. Hawks  
05:36:03 Ms. Kurtz

05:36:51 Sen. Hawks  
05:38:37 Ms. Kurtz  
05:40:19 Sen. Jones

#### **Motion**

05:41:28 Sen. Hawks made a motion to replace the word "resolution" with "recommendation". Roll call vote was taken. The motion **passed** by roll call vote 7 - 5. **Exhibit 12** A letter will be written to the Legislative Council for consideration that the resolution be a committee bill.

#### **HJR 39 Subdivision for Lease or Rent**

05:43:47 Helena Thigpen, Staff Attorney, LSD, distributed a handout that provided background information of the proposals discussed in previous committee meetings. **Exhibit 13** On page 2 of Exhibit 11 is a summary of the 6th proposal that was developed by CTAP staff, Sen. Facey and Rep. Rosendale.

05:49:27 Rep. Rosendale gave an overview of the CTAP stakeholders last meeting.

05:52:30 Sterling Miller, a CTAP stakeholder and landowner discussed how the stakeholders reached its consensus points. He distributed copies of his talking points **Exhibit 14**, and HB 494-subdivision for lease or rent. **Exhibits 15** He talked about his business and the services they provided, now they have to close because the Governor didn't sign HB 494.

06:07:49 Bill VanKanendan, Association of Realtors, talked about how viable Option 6 is. He said there is a state-level threshold of exemptions, but Option 6 only has 3. He said they can support Option 6, but he urged that subdivisions for lease or rent be taken off.

06:10:57 Linda Stahl, Missoula County, said there is no bad guys or good guys. She said there was no Attorney General Opinion released at the last session regarding this issue. She said the issue should be left to the County Commissioners. She talked about the potential impact to roads, schools, and everything involved with larger developments. Ms. Stahl distributed a handout of proposed language for a committee bill resolution of subdivision for lease or rent. **Exhibit 16**

06:21:00 Dustin Stewart, Montana Building Association, said that legislation has to be enacted on the options as suggested from the working group. He said they are better than what we have today. He asked that the committee go forward with Option 6 and make it work for the 56 counties.

06:24:32 Ann Cossitt, Montana Association of Planners (MAP), distributed and explained a handout of the MAP's involvement with the stakeholders. **Exhibit 17**

06:30:56 Terry Pugh, Land Attorney for landowners, talked about her concerns that she has discussed in detail with Rep. Rosendale. She said unless each county lower their numbers, it will not work statewide. She said there would have to be a majority vote to approve the suggested option 6.



06:33:44 Nicki Sardot, Montana Farm Bureau, Missoula resident, distributed a handout of her talking points. [Exhibit 18](#)

### **Committee comments and questions**

The committee discussed and questioned the structure of guidelines and local governments making their own decisions. There was discussion about Option 6 not ready to be presented to the legislature; and, another option is to take no action and allow it to take its course and have individuals bring in the legislation.

06:37:28 Sen. Hawks

06:41:22 Sen. Hawks

06:42:19 Ms. Cossitt

06:44:06 Sen. Lake

06:45:59 Sen. Branae thanked everyone for their participation in this issue.

06:46:51 **Break**

06:57:02 Sen. Branae called the committee back to order.

### **Funding 2-year Insitituions**

06:57:10 Sen. Hawks gave an overview of the discussion that took place at the ELG June meeting and a handout LCed07 [Exhibit 19](#) that requires counties where there are two-year postsecondary institutions and vocational technical programs to levy a tax of 1½ percent.

06:59:07 Clayton Christian, Commissioner of Higher Education (OCHE), talked about the two-year colleges and said the timing is not right to submit an agency bill. He said when the session starts in January they may have a bill to present to the legislature.

07:01:38 Sen. Lake said it will take a lot of work and will need a state-wide vote. He said that several counties will have a problem with the 1½ percent mill levy. Rep. Mehlhoff may be carrying a bill to address this in the upcoming session.

07:02:53 Sen. Branae commented that the issue will need to be addressed down the road, but now that it has been brought to the attention of the committee that maybe a solution can be found during the session.

### **Montana University System**

07:03:08 Tyler Trevor, Deputy Commissioner of OCHE, gave an update on the affordability of enrollment and legislative initiatives. He talked about the Affordability Task Force that have used data to find ways to make the university system more affordable. He said the group has made three recommendations. They were identified as a legislative initiative that includes: 1) a continuum of students entering and exiting of higher education by providing more need services for low income students; 2) to ensure that MUS has a collaborative and cohesive system of financial literacy; and, 3) delinquent student loan program.

### **Committee comments and questions**

Committee members asked questions of Mr. Trevor.

07:06:52 Sen. Hawks

07:08:16 Mr. Trevor

### **Enrollment**

07:09:46 Mr. Trevor gave an overview of the MUS 2012 enrollment report.

### **Committee comments and questions**

The committee asked questions about the enrollment in comparison to K-12 and ANB.

07:10:07 Sen. Facey

07:11:26 Sen. Branae

### **University issues ranked in priority**

07:12:16 Mr. Trevor said the initiatives that have been approved by the regents are:

- 1) present law and the pay plan are the number one and two on their list that are the critical issues.
- 2) system-wide initiatives, and how the MUS works to bring forward to the legislature and the executive to come up with initiatives that deal with:  
and,
- 3) fueling, access, affordability, and efficiency.

He talked about the veterans and the need to coordinate and provide system-wide services for the veterans. He said that the number of vets has doubled in the last five years. He said in the next five years that the veterans will represent 8 percent to 10 percent of student enrollment. Mr. Trevor talked about veterans special needs.

### **Committee comments and questions**

The committee talked about the new veterans center in Missoula that is not being used.

07:18:02 Rep. Hansen

06:20:20 Mr. Trevor

### **2012 Wildland Fire Season**

07:22:41 Bob Harrington, DNRC, Forest Service Administrator, distributed a handout updating the committee of the 2012 fire season. He gave an overview of DNRC's involvement and the services they provided. [Exhibit 20](#)

### **Committee comments and questions**

The committee discussed the use of resources on wild fires, and the driving factor of WUI costs.

07:38:34 Rep. Hansen

07:40:02 Sen. Moore

07:41:42 Sen. Hawks

07:45:34 Christina Allen, Fiscal Analyst, LFD, distributed a handout showing the 2012 fire expenses, and she explained the status of the cost of the fire suppression. [Exhibit 21](#)

### **Workers' compensation for volunteer firefighters**

07:50:12 Sen. Facey gave an overview of the volunteer firefighters Workers'

Compensation subcommittee. He distributed a bill draft, LCvlftr - **Exhibit 22** that requires mandatory workers' compensation coverage for volunteer firefighters. He talked about going forward with this bill draft as a committee bill.

07:55:27 Ms. Kurtz gave an overview of the ELG work plan. She distributed a handout that gives an overall review of the 2011-2012 ELG Interim committee's studies. **Exhibit 23** Ms Kurtz highlighted the recommendations that came out of the committee's discussions and suggestions for the final report.

07:58:45 Sen. Hawks talked about shared policy goals and signatures. Ms. Kurtz informed the committee that there was no involvement like the last interim subcommittee and stakeholders. She said it is best to leave the documents as they are with the signatures that are on them now and write a statement that this committee endorses them to go forward the way they are.

08:00:04 Rep. Price gave an update of the Compact on Educational Opportunities for Military Children. She said that Sen. Buttrey is also working on this. Rep. Price will co-sponsor the bill.

**Public comment - None**

08:03:24 Sen. Facey thanked Sen. Hawks for his years of service. Sen. Hawks is termed out.

08:04:38 Sen. Branae gave closing comments.

**Adjournment**

08:05:03 Sen. Branae adjourned the ELG interim committee at 3:38 p.m.

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