



Quality Schools Interim Committee

59th Montana Legislature

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HOUSE MEMBERS

MONICA LINDEEN--Chair
WILLIAM GLASER
HOLLY RASER
PAT WAGMAN

SENATE MEMBERS

ROBERT STORY--Vice Chair
DAVE LEWIS
DON RYAN
JON TESTER

EX OFFICIO MEMBERS

LINDA MCCULLOCH
KIRK MILLER
DAVID EWER

COMMITTEE STAFF

CONNIE ERICKSON, Research Analyst
CHRIS LOHSE, Research Analyst
EDDYE MCCLURE, Staff Attorney
FONG HOM, Secretary

MINUTES

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Committee tapes are on file in the offices of the Legislative Services Division. **Exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.**

June 3, 2005

State Capitol Building, Room 137
Helena, Montana 59620

COMMITTEE MEMBERS PRESENT

REP. MONICA LINDEEN, Chair
SEN. ROBERT STORY, Vice Chair

LINDA MCCULLOCH, Conference Call
KIRK MILLER, Conference Call

SEN. DAVE LEWIS
SEN. DON RYAN, Conference Call
SEN. JON TESTER, Conference Call

REP. WILLIAM GLASER
REP. HOLLY RASER, Conference Call
REP. PAT WAGMAN, Conference Call

STAFF PRESENT

CONNIE ERICKSON, Research Analyst
CHRIS LOHSE, Research Analyst
EDDYE MCCLURE, Staff Attorney
FONG HOM, Secretary

Visitors

No one signed the List

CALL TO ORDER AND ROLL CALL

Secretary noted the roll. (Exhibit 1) REP LINDEEN called the meeting to order at 9:00 a.m., and started the conference call process for Linda McCulloch, Kirk Miller, Rep. Holly Raser, Rep. Pat Wagman, Sen. Don Ryan, Sen. Jon Tester.

AGENDA

RECOMMENDATION FOR SCHOOL FINANCE CONSULTANT

1. **PENNY MOON, Department of Administration**, gave an overview of the RFP process. On May 6, a request for proposal solicitation to seek contractors to do a needs assessment and costs analysis for this project was issued. On the May 27, three responses were received. On May 31, the Evaluation Team met and discussed each of the three proposals and arrived at a consensus scoring for those. The Evaluation Team recommended that we seek clarification on some issues from the highest scoring offeror. That clarification was issued on the June 1 and their response back was received on June 2. The clarifications were: would you be willing to discuss the scope of work and if the scope of work was more than can be done in the time that we have, would they be willing to negotiate and change to that scope of work; and would they negotiate a change to the costs that was submitted in response to that. Their response back was that they would be willing to work with us in any capacity that we asked them to, and they will discuss those terms. Those responses were mailed to all of the committee members, as well as the draft scoring sheets that synopsised the scores and the comments they had made to defend those scores.

2. **CONNIE ERICKSON, Research Analyst, Legislative Services Division**, gave an overview of the scoring results and the Evaluation Team's recommendation. The members of the evaluation team were: Dr. Bruce Messinger, Superintendent of Helena Public Schools; Madalyn Quinlan, Office of Public Instruction; Jim Standaert, Legislative Fiscal Division; Eddy McClure, Chris Lohse, Connie Erickson, Legislative Services Division; and Any Carlson, Office of Budget and Program Planning. There were three respondents to our RFP: Maximus, Inc., Reston, Virginia; Montana Virtual Education Consultancy, Belgrade, Montana; and RC Wood & Associates, Gainesville, Florida. We met with Penny Moon in a public meeting on Tuesday, May 31, 2005, to discuss each proposal. We decided to do a consensus approach where we went through each proposal, and had each member discuss the score the member gave. We then arrived at a consensus score for that particular piece of the response. That is how we arrived at our recommendation.

The recommendation to you is for RC Wood & Associates as the consultant for the

Quality Schools Interim Committee. RC Wood & Associates is out of Gainesville, Florida, and they have put together a team of six members: three national experts and three Montana experts. The members of the team are: Dr. R. Craig Wood, from Florida, a nationally known schools finance consultant; Michael Griffith, a school finance consultant with the Education Commission of the States, Denver; and Steve Smith, an education finance expert. The three Montanans on the team are: Dr. Don Robson, Professor of Education at the School of Education, University of Montana, former Dean of the School of Education; Dr. Merle Farrier, a professor of education at the School of Education, University of Montana; and Joyce Silverthorne, former member of the Board of Public Education, and currently Education Director for the Confederated Salish and Kootenai Tribes.

Maximus, Inc., Reston, Virginia. The primary staff was a former state superintendent from Illinois, who had extensive experience in school finance, but is the only one on the team who has had any school finance experience. The other two members were an accountant and a project director. Their RFP did not indicate that they had any school finance experience at all.

Montana Virtual Education Consultancy, Belgrade, Montana. The Evaluation Team felt that this company was deemed nonresponsive because they did not understand what we were asking for in terms of a school finance study.

The total points awarded were: RC Wood & Associates received 886/1000 points; Maximus, Inc., received 778/1000 points. Consensus from the Evaluation Team determined that Montana Virtual Education Consultancy was nonresponsive and there was no score for them.

The budget of proposal offered by RC Wood & Associates is \$162,750; however, they are willing to enter into discussions and negotiations with the Committee about lowering it. They would also discuss negotiations on scaling back the scope of work in their proposal.

PAT WAGMAN asked that in comparing the proposal with information that you have available, is there any testament as to how much the proposal could be realistically reduced? CONNIE ERICKSON said that, at this time, but that could not be done but there could be a discussion on Monday with the consultants about that.

DON RYAN asked if there was any disclosure from any of these people on this team who might have been with any entity involved in the lawsuit. CONNIE ERICKSON said that there were two questions that arose on Tuesday regarding a conflict of interest. One was Joyce Silverthorne who had testified in the court case. Both Ali Bovingdon, attorney for the State, and Jim Molloy, attorney for the plaintiffs, said that Joyce was called as a witness by virtue of her position on the Board of Public Education, that she did not do any work for the plaintiffs, she did not do any work for the State, and so there was no conflict of interest there as far as her testifying during

the court case.

The conflict of interest in the RFP was, anyone who had done work for the plaintiffs and/or was currently under contract that would prohibit them or make it difficult for them to testify in favor of the new school funding formula that we will come up with. The other issue that came up with the conflict of interest was Steve Smith because Mr. Smith did some work for the Montana Taxpayers Association this year. We contacted the Montana Taxpayers Association; we have written confirmation from them that his contract ended in April, that the only thing that Mr. Smith did for the Taxpayers Association was putting together a database and a survey for schools. The survey was never sent out and he did not do any analysis of any survey results for them. It was determined that he did not have a conflict of interest.

LINDA McCULLOCH asked if, according to the points and the reviewers, what may have been lacking in RC Wood's proposal that we would be interested in knowing about. CONNIE ERICKSON said that, in looking through the point matrix, the one area of concern was their method of service appeared to be very ambitious, that it might be too prescriptive.

DR. BRUCE MESSINGER said that we had some conversation about their use of multiple methodologies to do the analysis regarding school funding. It is a unique response using multiple lenses to look at school funding in Montana. Another point is that we are into the summer months, and this particular proposal will require a fair amount of collection of data from schools, so staff can help make contact with schools to be sure the data is collected in a timely fashion.

AMY CARLSON express her concern that two members of the team belonged to MEA/MFt, which was a plaintiff in the lawsuit. Mr. Petesch has assured the Evaluation Team that membership alone did not constitute a conflict of interest. However, Ms. Carlson still thought it was important enough to mention.

SEN STORY said that on the RC Wood's scoring sheet, under (c) regarding knowledge and expertise in school finance, there are two comments that he didn't understand. The comment "not quite as strong" and if comparing to the other two proposals, what does this mean with RC Woods? He is not sure about the comment about the depth of knowledge in Montana school finance when the proposal has listed three people who are experts or have experience in school finance in Montana on the committee. Sen Story would like some clarification for the record. CONNIE ERICKSON said that when they scored the RFPs, those comments were saying that "not as strong" here as compared not to the other proposals but to their response in their proposal itself. What they were saying is, as far as RC Wood proposal was concerned, maybe

if there was perhaps a little weakness in their proposal, it might have been that they weren't quite as strong in that area as they were in other areas. If you were to actually compare that response to the same response in the other proposals, RC Wood was much stronger than the others.

REP RASER asked if staff could provide copies of the Wood's proposal to Committee members before Monday. CONNIE ERICKSON said that it may be possible to put the proposals on the Department of Administration's website and put in a link from the Quality Schools Interim Committee web page to create access to those documents so everyone could receive and review those documents. MADALYN QUINLAN informed the Committee that that process was already being done.

REP HOLLY RASER made a motion to accept the recommendation of the Committee to offer the contract to RC Wood & Associates.

DISCUSSION

SEN STORY wanted public comment before a vote on REP RASER's motion was taken. Ms. Erickson said that the decision to award the RFP is based upon the scoring of the responses received. The Evaluation Team could only use the information in the response on which to base their decision. The public is welcome to listen to the whole process, but public comment or outside comment was not allowed in order to avoid any influence in the Team's decision because the public may have information that the Team was not privy to and the Team's decision needed to be based on what is in front of them. That is the reason why public comment is scheduled after the decision.

SEN STORY had concerns about the budget and awarding the RFP with the budget as it is. CONNIE said that it would stay at \$162,000; we would have \$38,000 left for the operation of the Committee.

PENNY MOON clarified the process of the RFP. The highest score has to be representative of the best decision. As far as the budget and negotiations, at this point, we will recommend that we enter contract negotiations with the highest scoring offeror, if that is what the Committee recommends. At that point, we go into negotiations and if we find that we cannot afford their answer, then we are not locked into offering or signing a contract for that amount. We would have to say that we cannot afford it, then we can go back to the second highest offeror, or go through a different type of procurement process, possibly a direct negotiation. We are not locked in until we can come to an agreement of the scope of work and the costs that we can

afford.

REP LINDEEN asked Greg Petesch if we have to make the wording "going into negotiations on the budget" a part of the motion. MR. PETESCH said that all we need to do at this point is to authorize the award of the RFP to RC Wood & Associates and that will allow us to enter into negotiations.

REP LINDEEN said that the current motion is to accept the Committee's recommendation that we accept the RFP from RC Wood & Associates. DON RYAN seconded. REP WAGMAN said that we only have one viable bid and with the issues of this magnitude, he did not think it wise at this point to only look at one bid. REP LINDEEN asked for a roll call vote to accept the motion to award the RFP to RC Wood & Associates. SEN LEWIS, SEN RYAN, SEN STORY, SEN TESTER, REP GLASER, REP LINDEEN, REP RASER voted yes; REP WAGMAN voted no. Motion passed 7 to 1. (Exhibit 2)

PUBLIC COMMENT

DAVE PUYEAR, MREA, appreciated the work of everyone involved, but wanted to ensure that communications are open; documents are not readily available at working group meetings and cause challenges during discussions.

ADJOURNMENT

MS ERICKSON said that the meeting on Monday, June 6, 2005, will begin at 9:00 a.m., in Room 102 in the Capitol Building. The meeting will be televised and audio streamed, as are all of our meetings.

REP LINDEEN thanked the staff and everyone on the selection committee for their hard work. The meeting was adjourned at 9:55 a.m.