



Education and Local Government Interim Committee

61st Montana Legislature

SENATE MEMBERS

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

HOUSE MEMBERS

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

COMMITTEE STAFF

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

MINUTES

June 30, 2009
Room 137

State Capitol Bldg
Helena, Montana

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

An electronic copy of these minutes and the audio recording may be accessed from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side column of the home page, select *Committees*, then *Interim*, and then the appropriate committee.

To view the minutes, locate the meeting date and click on minutes. To hear the audio recording, click on the Real Player icon. Note: You must have Real Player to listen to the audio recording.

COMMITTEE MEMBERS PRESENT

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

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

STAFF PRESENT

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

AGENDA & VISITORS' LIST

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

COMMITTEE ACTION

- The ELG elected Rep. Wanda Grinde as Chair and Sen. Kelly Gebhardt as Vice Chair.
- The ELG adopted the work plan schedule.
- The ELG voted to allow a member to give another member a proxy vote and use it for any matter on which the committee votes.

CALL TO ORDER AND ROLL CALL

00:00:00 Sen. McGee called the meeting to order at 9:05 a.m. The secretary took the roll. (Attachment #3) The committee and staff introduced themselves.

AGENDA

00:17:29 **ADMINISTRATION MATTERS - Leanne Heisel, Lead Researcher, LSD**
Leanne Heisel, Research Analyst, LSD, gave an overview of the committee's budget and guidelines.

ELG Budget Overview

- Ms. Heisel informed the committee that the budget is set at \$42,500 for this interim. This meeting is using last interim's budget because it fell on June 30, 2009, which is the last day of the state's fiscal year.

ELG Statutory Duties

- Ms. Heisel explained the Rules, Procedures and Guidelines for Interim Committees, Amended: June 26, 2009. **Exhibit 1**

00:24:42 **ELG questions and comments**
Rep. Lake asked if proxy votes need to be specific to each issue or will the committee allow a blanket form. Ms. Heisel informed the committee that the blanket form has been the standard procedure in past committees.

00:28:42 Rep. Lake asked about the committee requesting agency legislation if a specific committee member's name would be on agency legislation, and if a two-thirds vote is required. Ms. Heisel said it is a majority vote of the committee if it wants to request agency legislation. She noted that with legislation there isn't any opportunity for a minority report, but it can be incorporated in the committee's final report. When the committee's name is on the legislation it doesn't mean that each member endorses that piece of legislation, it is only to start the drafting and preintroduction process.

00:31:21 Rep. Arntzen asked about a formal report at the end of the interim, and wanted to know what legislative committees receive the report. Ms. Heisel said it depends on who wants to receive it, but the final report is available for both individuals and committees.

00:32:41 Sen. Hawks asked if there has been a change in the influence of the interim committee reports to the legislature. Ms. Heisel replied no.

00:34:06 Sen. McGee wanted to know what constitutes a subcommittee. Ms. Heisel explained that a subcommittee is a formal entity of a committee and should have the same rules as a committee, such as staff support, public notice, minutes, etc. Working groups are more informal, but require the same preparation and support as subcommittees.

ELG Mailings/e-mail

00:38:20 Ms. Heisel addressed mailings/e-mail. She asked the committee members if their preference for documents be a hard copy mailed out or e-mail of PDF documents. The consensus is for both.

Overview of the ELG work plan

00:42:00 Ms. Heisel gave an overview of the committee's work plan **Exhibit 2**, and the role and responsibilities of the staff.

SJR 2 - Draft Study Plan

00:51:53 Kris Wilkinson, Legislative Fiscal Division (LFD), distributed a handout that explains SJR 2. **Exhibit 3**. She said this study re-examines the community colleges establishment process.

SJR 9 - Draft Study Plan

00:56:58 Kris Wilkinson, LFD, said that SJR 9 (student loans) has been assigned to the Legislative Finance Committee, and it will be addressed by that committee at a later date.

ELG questions and comments

00:58:51 Sen. Peterson asked Ms. Heisel about subcommittees and how they relate to the full committee. Ms. Heisel responded that it may be better to have the full committee work on all of the issues assigned rather than subcommittees so that all members may be involved.

Administrative Rule Review

01:03:58 Jeremy Gersovitz, Legal staff, distributed a handout on Administrative Rulemaking 101. **Exhibit 4** He gave a brief explanation of the rules. Mr. Gersovitz also distributed a handout called "Rulemaking and Powers of Rule Review Committees and Individual Members (June 2009) **Exhibit 5**, and a handout called "Crossing the great divide: the Legislature, the Board of Regents and the Board of Public Education" for the committee to review. **Exhibit 6**

Shared Policy Goal Resolutions

01:15:38 **Casey Barrs, Research staff, LSD**, distributed a handout explaining shared policy goals and accountability measures for the Montana University System, 2009 Biennium. **Exhibit 7**

Mr. Barrs gave the committee a copy of the two resolution bills.

- ▶ HJR 6 (K-12) - **Exhibit 8**

- ▶ SJR 8 (K-20) - **Exhibit 9**

PUBLIC COMMENT

Local Government

01:23:59 **Alec Hansen, Montana League of Cities and Towns (MLCT)**, addressed the distribution of stimulus funds to the cities and towns. He also discussed:

- 1) A study that will be done through the Governor's Office to update tax increment finance districts and their value.
- 2) The allocation program on indirect costs.
- 3) HB 608 - which will give cities and towns a way to deal with abandoned property.
- 4) The historic preservation study (HJR 32).

01:45:52 **Harold Blattie, Montana Association of Counties (MACo)**, distributed a handout showing county and school budgets, setting dates and timemlines **Exhibit 10**, and requesting that the ELG staff assist as part of the work plan to facilitate meetings with all of the stake holders in regards to setting budgets in schools and counties.

K-12 Education

01:55:52 **Madalyn Quinlan, Office of Public Instruction (OPI)**, distributed a handout that provides a summary of K-12 Education legislation. **Exhibit 11** She discussed OPI's goals that were achieved in the 2009 Legislature.

Higher Education

02:02:31 **Dr. Sheila Stearns, Commissioner of Higher Education**, distributed a handout **Exhibit 12** on:

- ▶ significant legislation affecting higher education;
- ▶ what to expect in the interim;
- ▶ requests for committee assistance, and
- ▶ shared policy goals.

Dr. Stearns also discussed:

- ▶ Graduation enrollment and rates. **Exhibit 13**
- ▶ The Montana Rural Physician Incentive Program. **Exhibit 14**

ELECTION OF OFFICERS

02:16:24 Sen. Gillan nominated Rep. Wanda Grinde as Chair of the ELG committee. The motion **passed**.

02:19:41 Sen. Peterson nominated Sen. Gebhardt as Vice Chair. The motion **passed**.

(LUNCH)

ELG Draft Work Plan Overview

03:31:37 Ms. Heisel continued with the overview of the work plan.

ELG questions and comments

- 03:39:12 Sen. Gebhardt said he feels that emergency zoning is too broad and would like the committee to define it better.
- 03:39:49 Sen. McGee suggested the committee work on legislation that will give local governments more authority to stop fires on federal lands by any means available. Ms. Heisel and the committee members discussed the work of the Fire Suppression Committee in this area.
- SJR 25 - Montana's Rural and Urban Economic challenges**
- 03:47:49 Sen. Jim Peterson distributed a copy of SJR 25 that requests the University System study Montana's Rural and Urban Economic challenges, and how to facilitate partnerships and integrated solutions. **Exhibit 15**
- 03:53:57 The committee discussed its potential role in working on rural/urban challenges.

PUBLIC COMMENT

HJR 32 - Historic strategies and solutions

- 04:08:14 **Mark Baumler, representing the Montana Historic Preservation Office, Montana Historical Society,** stated his support for HJR 32.

ELG questions and comments

- 04:11:47 Rep. Lake asked about recorded geographical and historical sites. Mr. Baumler said his department has record of 47,000 sites. Ms. Heisel said that other states have done similar studies so a lot of information is available for the committee when they start their research.

Overview of ELG Committee work plan

- 04:19:37 The committee discussed subcommittees and how they will handle assigned projects. It was suggested that the committee work together as a whole group and not divide into working groups or subcommittees. Ms. Heisel clarified working groups vs. subcommittees.

STUDY ASSIGNMENTS

HJR 32 - Historic Preservation

- 04:40:50 Ms. Heisel and the committee will research information regarding:
- ▶ preservation of historic and cultural properties;
 - ▶ funding sources for preservation;
 - ▶ what the funding is for, and
 - ▶ ways of funding streams may be changed or improved.

SJR 2 - Community Colleges

- 04:43:55 The committee asked that Deputy Commissioner of Higher Education Mary Moe, report on community colleges and their connection to the University System. This will be reported at the next meeting to determine how ELG staff will proceed.

Tax Increment Finance - limiting the duration of a tax increment

04:45:43 Rep. Arntzen suggested the committee wait until the next meeting to determine the type of information that is needed. She said that Mr. Hansen had stated that a work group is currently working on updating a report of tax increment finance districts. Rep. Arntzen will act as liaison for the committee between Mr. Hansen and the Governor's Office.

Budget Timelines

Ms. Heisel addressed timelines for cities and towns to set their budgets. Sen. Gebhardt and Rep. McClafferty will work with Mr. Blattie and MACo on these issues.

Report on the American Recovery and Reinvestment Act (ARRA) Funds

04:53:49 Kris Wilkinson, LFD, said that HB 645 requires schools to have energy audits. The Quick Start Program and the Energy Efficiency Program were addressed. She will update the committee on the mandate. A report from the LFD staff to the Finance Committee about ARRA was distributed. **Exhibit 16**

ELG discussion and comments

04:54:25 The committee discussed:

- school budgets;
- school building analysis; and
- school facility improvements.

Other Local Government-related issues

04:59:58 Ms. Heisel reviewed that other items of interest to the committee include:

- emergency zoning;
- sidewalk maintenance agreements; and
- the relationship of zoning and property rights.

Adoption of work plan

05:09:52 Sen. McGee made the motion to adopt the work plan with the changes discussed by the committee. The motion **passed**.

Adoption of proxy votes

05:25:55 Rep. Lake made the motion to allow committee members to use a blanket proxy. The motion **passed**.

Agency bills

05:28:13 Rep. Lake made the motion that an agency bill cannot be carried by this committee unless there is a two-thirds vote.

ELG discussion and comments

05:29:31 The committee and Ms. Heisel discussed committee bills vs. an agency bill.

05:31:36 Rep. Lake withdrew his motion. He then made the motion that a request by an agency must have a two-thirds vote.

Discussion on agency requests

05:33:40 The committee discussed how they will handle requests from agencies.

05:51:17 Rep. Lake withdrew his motion. The committee will review agency requests at a future meeting.

Adjourned

05:52:38 Rep. Grinde adjourned the ELG committee at 4 p.m.

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