



Education and Local Government Interim Committee

63rd Montana Legislature

SENATE MEMBERS

TOM FACEY--Chair
DAVE LEWIS
FREDERICK (ERIC) MOORE
MATTHEW ROSENDALE
SHARON STEWART-PEREGOY
JONATHAN WINDY BOY

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DONALD JONES--Vice Chair
KRISTIN HANSEN
EDITH (EDIE) MCCLAFFERTY
JEAN PRICE
DANIEL SALOMON
TOM WOODS

COMMITTEE STAFF

PAD MCCRACKEN, Lead Staff
LAURA SANKEY, Staff Attorney
JOY LEWIS, Secretary

MINUTES LOG

Education and Local Government Interim Committee Friday April 11, 2014 Room 152, State Capitol

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.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select *Committees*, then *Interim*. Once on the page for *Interim Committees*, scroll down to the appropriate committee. The written minutes summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page.

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

SEN. TOM FACEY, Chair
REP. DONALD JONES, Vice Chair

SEN. DAVE LEWIS
SEN. SHARON STEWART-PEREGOY
REP. KRISTIN HANSEN
REP. EDITH (EDIE) MCCLAFFERTY
REP. JEAN PRICE
REP. DANIEL SALOMON

COMMITTEE MEMBERS ABSENT

SEN. FREDERICK (ERIC) MOORE
SEN. MATTHEW ROSENDALE
SEN. JONATHAN WINDY BOY
REP. TOM WOODS

STAFF PRESENT

PAD MCCRACKEN, Lead Staff
LAURA SANKEY, Staff Attorney
JOY LEWIS, Secretary

AGENDA & VISITORS' LIST

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

COMMITTEE ACTION

Sen. Facey called for a voice vote on Rep. Jones motion to adopt Option C of the statutory revision options contained in the HJR2 work group report. The motion passed unanimously.

Rep. Hansen moved that the staff begin a draft of a bill to complete an interim study of school funding.

Sen. Facey called for a voice vote on Rep. Hansen's motion. The motion passed unanimously.

CALL TO ORDER AND ROLL CALL

00:00:05 Sen. Facey, chair, called the meeting to order at 8:10 a.m. The Secretary took the roll. ([Attachment 3](#))

Administrative Rule Review - Laura Sankey, staff attorney

00:00:26 Ms. Sankey gave an overview of the administrative rules.

Questions from committee

00:01:24 Rep. Hansen

00:01:51 Sen. Facey

Review process for agency-requested legislation - Pad McCracken, staff research analyst

00:02:21 Mr. McCracken gave a brief overview of agency legislation and committee legislation.

00:05:01 Sen. Facey

SITSD ERM/ECM Project Update -

00:05:36 Ron Baldwin, State Chief Information Officer (CIO) for the Department of Administration (DOA) gave a history of the current Enterprise platform hosted by IBM FileNet system, and an update on SITSD review efforts related to the electronic records management (ERM) and enterprise content management (ECM).

Questions from the committee

00:15:05 Rep. Hansen - Mr. Baldwin

00:19:07 Sen. Facey - Mr. Baldwin

HJR 2 ERM Work Group Final Report

Work Group findings and recommendations report

00:21:48 Mr. McCracken provided a review of the HJ2 Electronic Records Management

Work Group Report - Appendix A (**Exhibit 1**)

00:28:56 Rep. Hansen
00:29:21 Mr. Baldwin
00:29:50 Mr. McCracken continued his presentation.
00:39:37 Sen. Facey - Mr. McCracken
00:40:45 Sen. Lewis - Mr. Baldwin
00:45:08 Ms. Sankey gave an overview of the HJ2 ERM work group paper, pages 10-16. of the work group report and recommendations. (**Exhibit 1**)
00:52:06 Sen. Facey - Ms. Sankey
00:52:24 Ms. Sankey continued her presentation.
00:53:27 Rep. Hansen - Ms. Sankey
00:55:23 Ms. Sankey continued her presentation.
00:59:58 Rep. Hansen - Ms. Sankey
01:01:42 Ms. Patti Borsberry, State Record's Manager, Secretary of State (SOS)
01:02:19 Rep. Hansen - Ms. Borsberry
01:03:04 Sen. Facey
01:03:34 Ms. Sankey continued her presentation and said that the work group recommended that the committee adopt Option C.
01:06:59 Sen. Facey

Work Group representatives panel for comments and questions from the committee

01:07:34 Patti Borsberry, State Record's Manager, (SOS) said her office supports the findings of the ERM work group and they will work toward furthering the goals of ensuring public record keeping in a digital business culture.

01:09:06 Jodie Foley, State Archivist, Montana Historical Society thanked the committee for its work. The Historical Society is excited to work with the SOS, SITSD and all the members of the committee to move forward on all of the recommendations (1 through 6) for records management and the preservation of Montana's history.

01:10:14 Lucy Richards, Records Custodian, Department of Natural Resources and Conservation (DNRC) echoed the thanks of MS. Borsberry and and Ms. Foley for the ERM's work. She emphasized the public's right to participate, and supports the recommendations of the committee.

01:11:47 Jeff Sillick, Montana Department of Transportation (MDT), oversees the records program and is excited to see records management being addressed.

01:12:27 Rep. Jones gave an overview of the committee's work and talked about its complexity and the commitment of the committee.

01:13:37 Rep. Price talked about the diversity and complexity of the issue and how impressed she is with what has come from all the hard work of the committee.

01:14:29 Sen. Facey

Public comment

01:15:10 Shantil Siaperas, Legislative Analyst for Montana Association of Counties (MACO) thanked the group and said that MACO would continue to offer support

and assistance in future discussions, and she thanked all the committee members for their hard work.

01:16:09 Cynthia Dingman, Department of Environmental Quality (DEQ) served on the HJ2 work group and thanked all the participants. She encouraged better training and support for records managers and supports Option C as the best method for laying the groundwork for Electronic Records Management.

01:21:42 Kevin Nelson from Billings spoke about Finding #3 and the lack of records management of executive sessions of governmental agencies. He wants to see secure recordkeeping of executive and preferably, all public meetings.

Committee discussion/decision

01:27:45 Sen. Facey

01:28:12 Rep. Jones - Ms. Jodie Foley

01:30:10 Ms. Foley spoke about minutes and their preservation.

01:31:14 Ms. Foley talked about the Historical Society's Digital Record's Management plan. She submitted written testimony to the committee. [\(Exhibit 2\)](#)

01:36:16 Rep. Hansen - Mr. Baldwin

01:44:04 Sen. Facey

01:44:54 **Rep. Jones moved to adopt Option C and move forward on it.**

01:45:13 Rep. Hansen

01:46:42 Sen. Facey - Rep Hansen

01:47:38 Ms. Sankey

01:48:36 Rep. Hansen

01:48:42 Sen. Facey

01:48:46 Ms. Richards

01:49:46 Ms. Borsberry

01:50:50 Rep. Hansen

01:52:46 Sen. Facey - Rep Hansen

01:53:20 Jeff Sillick

01:54:54 Rep. Hansen

01:56:24 Mr. Baldwin

01:58:22 Rep. Hansen

01:58:52 Sen. Facey

01:59:32 Rep. Hansen

02:00:03 Mr. McCracken

02:02:15 Rep. Hansen

02:03:45 Ms. Sankey

02:04:46 Rep Hansen

02:04:55 Sen. Facey

02:05:36 Mr. McCracken

02:06:48 **Sen. Facey called for a voice vote on Rep. Jones motion to adopt Option C with statutory revisions. The motion passed unanimously.**

Break 10:18

Sen. Facey reconvened the meeting at 10:43 a.m.

Committee discussion/decision (continued)

02:31:23 Sen. Facey

02:32:52 Mr. McCracken
02:33:52 Sen. Facey
02:34:22 Rep. Hansen
02:34:53 Sen. Facey
02:35:24 Mr. McCracken
02:35:58 Sen. Facey

Committee discussion and determination of various K-12 issues

K-12 funding study; 20-9-309, MCA

02:37:21 Sen. Facey
02:38:32 Ms. Sankey (**Exhibit 3**)
02:41:23 Sen. Facey

Public comment

02:42:30 Kevin Nelson talked about MCA 2-09-309. He explained he wasn't opposed to economic development but he would like to see harmony in our economic development polices and statutes that do not conflict with the constitutional requirements. He submitted written testimony to the committee. (**Exhibit 4**)
02:50:10 Debra Lamm asked the committee to look at the high level of federal funding for schools that Montana accepts. She contended that Montana is losing its educational independence by relying so heavily on the federal component of funding here in Montana.

Committee discussion--would the committee like to pursue this issue through committee legislation? If so, provide staff direction for drafting.

02:51:31 Rep. Price
02:51:42 Ms. Sankey
02:52:24 Rep. Salomon
02:52:55 Sen. Facey
02:53:49 Sen. Lewis
02:54:18 Sen. Facey
02:54:48 Rep. Hansen
02:55:42 Rep. McClafferty
02:56:07 Sen. Facey
02:56:24 Rep. McClafferty
02:56:45 Sen. Facey
02:58:08 Rep. Hansen
02:58:34 Sen. Facey
02:58:50 **Rep. Hansen made a motion to give staff direction to begin draft of a bill to complete an interim study of school funding.**
02:59:09 Rep. Price
02:59:32 Ms. Sankey
02:59:51 **Sen. Facey called for a voice vote on Rep. Hansen's motion. The motion passed unanimously.**

School transportation reimbursement schedule

03:00:25 Mr. McCracken reviewed the Legislative Audit report given by Ross Johnson from the Legislative Audit Division in the December, 2013 meeting. He presented

some options for the committee to consider. [\(Exhibit 5\)](#)
03:08:17 Sen. Facey
03:08:26 Sen. Lewis
03:09:04 Mr. McCracken
03:09:30 Rep. Salomon
03:11:00 Sen. Facey
03:11:33 Rep. Hansen

Public comment

03:12:08 Madalyn Quinlan, OPI, weighed in on school bus transportation options and clarified the budgetary concerns for both Option 1 and 2.
03:15:24 Kevin Nelson talked about the permissive levy and the tax increment districts. He asserted that the tax increment districts are in direct violation of the Attorney General's opinion and he would like the committee to look into it.
03:17:52 Bob Vogel, Montana School Boards' Association, said that he agreed with Madalyn Quinlan's assessment that school bus transportation issue should be part of a ten-year study to look at transportation more holistically. The issue is very complex and needs a more careful look.

Committee discussion--would the committee like to pursue this issue through committee legislation? If so, provide staff direction for drafting.

03:21:05 Sen. Facey
The committee determined by general agreement not to pursue this issue.

Accreditation standards and fiscal analysis; 20-7-101, MCA

03:21:19 Ms. Sankey gave an overview of the possible options for the committee to review for standards of accreditation. [\(Exhibit 6\)](#)
03:22:54 Sen. Facey

Public comment

03:23:12 Madalyn Quinlan, OPI questioned who was going to do the fiscal analysis for the accreditation standards. She encouraged the committee to recognize that it's a rare rule change that will require a third party consultant. The majority of the proposed rule changes have little or no cost implications for school districts.
03:25:58 Pete Donovan, Executive Director for the Montana Board of Public Education concurred with Ms. Quinlan comments. The Board is very interested in the process and working closely with Legislative staff. He thanked both Mr. McCracken and Ms. Sankey for attending board meetings and communicating with the Board.
03:27:49 Debra Lamm talked about the full impact of the recent accreditation standards and how we don't know what that full impact will be. She contended that there will be impacts on the school districts and said that we need to have a clear process, one that identifies all the players.

Committee discussion--would the committee like to pursue this issue through committee legislation? If so, provide staff direction for drafting.

03:29:43 Sen. Facey
03:30:10 Rep. Salomon
03:30:35 Sen. Facey

03:31:13 Mr. Donovan
03:32:18 Rep. Hansen
03:34:18 Sen. Facey
03:35:11 Rep. Salomon
03:35:48 Rep. Hansen
03:36:36 Sen. Facey
The committee determined by general agreement not to pursue this issue.

Lunch Sen. Facey recessed the meeting for lunch at 11:49 a.m.

04:54:47 Sen. Facey reconvened the meeting at 1:04 p.m.

Update from Subcommittee on Shared Policy Goals for Education

04:54:59 Sen. Facey clarified Rep. Jones' motion on HJ2 Recommendation 6.1. He explained that the committee gave direction to staff to draft a bill for the appropriation of funding for the Historical Society to contract a consultant to develop a plan to create a digital archive.
04:56:28 Mr. McCracken gave an overview of the Subcommittee meeting on Shared Policy Goals for Education held on Thursday, April 10, 2014.
04:59:10 Sen. Facey
04:59:23 Rep. Hansen
05:01:21 Sen. Facey
05:01:33 Rep. Hansen
05:01:57 Sen. Facey

Questions from the committee/discussion

There were none.

Montana University System

05:02:07 Sen. Facey

Tuition vs. fees; funding of 2-year campuses

05:03:49 Mick Robinson, Deputy Commissioner for Fiscal Affairs, Office of the Commissioner of Higher Education (OCHE) talked about MUS tuition and fees for the 4-year and 2-year campuses, and Community Colleges. He submitted written testimony to the committee. [\(Exhibit 7\)](#)

Questions from the committee/discussion

05:08:00 Sen. Facey - Mr. Robinson
05:14:53 Rep. Jones - Mr. Robinson
05:16:55 Sen. Facey - Mr. Robinson

MUS Updates - performance funding

05:19:27 Tyler Trevor, Deputy Commissioner, (OCHE) gave an update on performance based funding.

Questions from the committee/discussion

05:25:01 Sen. Facey
05:25:07 Rep. Hansen - Mr. Trevor
05:26:22 Sen. Lewis - Mr. Trevor
05:27:28 Sen. Facey - Mr. Trevor
05:28:25 Rep. Hansen - Mr. Trevor
05:29:58 Rep. Jones - Mr. Trevor
05:34:03 Sen. Facey - Mr. Trevor

Public comment

05:37:02 Kevin Nelson talked about State university funds and asked why are we diverting community college funds from the Tax Incremental Finance Districts? (TIF) He claimed that this is a clear violation of the Constitution. He submitted written testimony to the committee. **(Exhibit 8)**

BREAK

05:53:09 Sen. Facey reconvened the meeting at 2:02 p.m.

Office of Public Instruction

05:53:32 Denise Juneau, Superintendent of Public Instruction gave an update on the increase in graduation rates and the decrease in school dropout rates. She gave an overview of Graduation Matters and how community involvement and support has contributed to its success. She reviewed the grants to schools to support Graduation Matters initiatives across the state, and the Smarter Balance Assessment and the field tests being administered. She submitted written testimony to the committee. **(Exhibit 9)**

06:02:30 Christine Day, Montana Educational Technology Association (META) spoke about META's contract with OPI to provide technical support for Montana schools to prepare for the smarter balance field tests.

06:07:05 Sen. Facey

06:07:24 Ms. Juneau continued her presentation on the Smarter Balance Assessment, Common Core implementation, a catalog and calendar of provider services, the Montana Digital Professional Learning Network tied to the Digital Academy, grants for oil and gas impacted schools, free ACT testing for high school juniors free, fee-waived college application week, and SB 203 - The Montana Council on Education Opportunity for Military Children. **(Exhibit 9)**

06:21:01 Sen. Facey

Overview of financial reporting requirements of districts

06:21:27 Ms. Quinlan, OPI gave an overview of the financial data reported by school Districts to OPI. **(Exhibit 10)**

Questions from the committee/discussion

06:29:59 Sen. Facey
06:30:05 Rep. Salomon - Ms. Quinlan
06:30:33 Sen. Facey - Ms. Juneau
06:32:57 Rep. Salomon - Ms. Juneau

Public comment

- 06:34:29 Karen Cox submitted a letter from LaVonna Robinson for the record ([Exhibit 11](#)) and questioned the Smarter Balance testing of children. She objects to this type of testing and believes that the federal government is taking over our education system.
- 06:39:47 Deborah Lamm talked about the Smarter Balance testing. She asked the committee if any of them had read a copy of the Smarter Balance agreement with the federal government? She believes there is more to this report than meets the eye.
- 06:41:22 Linda Hohenstein talked about parents from Plains trying to opt their children out of the Smarter Balance testing. They were told by the Superintendent, Thom Chisholm, they could not. She asked what the legal authority was in this process.

Report on grants received by agencies and budgeting

- 06:42:55 Taryn Purdy, Legislative Fiscal Division, answered committee questions that arose from previous meetings concerning agencies applying for grants.
- 06:48:12 Rep. Hansen - Ms. Purdy
- 06:50:47 Sen. Facey

Public comment and committee discussion of any additional/emerging issues within ELG's jurisdiction

- 06:51:57 Karen Cox submitted written comment to the committee. ([Exhibit 12](#)) ([Exhibit 13](#))

Review of June 16-17 agenda; instructions to staff

- 06:53:32 Sen. Facey
- 06:53:42 Mr. McCracken gave an overview of the possible agenda items for the June, 2014 meeting.
- 06:57:21 Sen. Facey
- 06:57:41 Rep. Hansen
- 06:58:44 Sen. Lewis
- 06:59:35 Rep. Jones
- 07:00:31 Sen. Facey

Adjourn

Sen. Facey adjourned the meeting at 3:11 p.m.

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