



Education and Local Government Interim Committee

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
CLAUDIA (CJ) JOHNSON, Secretary

MINUTES

September 15, 2011
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.

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. You must have Real Player to listen to the audio recording or to view the video.

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, present via teleconference
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
CLAUDIA (CJ) JOHNSON, Secretary

Visitors

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

COMMITTEE ACTION

The Education and Local Government Committee approved:

- the minutes from the June 18, 2011 committee meeting.

CALL TO ORDER AND ROLL CALL

00:00:04 Rep. Arntzen called the committee to order at 9:00 a.m. The secretary called roll. [Attachment #3](#).

Motion

00:01:40 Sen. Branae made a motion to approve the minutes from June 18, 2011. The committee voted unanimously to approve the minutes.

AGENDA

00:02:00 Ms. Kurtz gave an overview of the agenda and summarized the updated work plan.

HJR 39 study of subdivision for lease or rent

00:05:08 Ms. Kurtz gave an update of HJR 39 - a study of the subdivision statutes regarding exemptions from review for rent or lease. Ms. Kurtz distributed a handout containing the text of section 76-1-301 and of Title 76, chapter 3, part 2 (Subdivision Exemptions), [Exhibit 1](#) for committee members' reference as the study progresses. A letter provided to the committee from Tara DePuy and Susan B. Swimley, representing the Montana Association of Counties Joint Powers Insurance Authority, states they worked hard during the 2011 Legislature to solve the subdivision issue, but were unable to do so. [Exhibit 2](#)

00:07:23 Rep. Rosendale talked about the impact of the oil field development in Eastern Montana as it pertains to permits for housing, sewers, and other living condition issues.

Public Comment

00:17:41 **Rep. Gary MacLaren, chair of the House Local Government Committee (2011 Session)**, stated that the legislature did not have enough time in the 90-days to find a solution to the problems associated with the living conditions in oil-impacted areas.

00:18:55 **Kelly Casillas, Administrator and Deputy Chief Legal Counsel, Community Development Division, Department of Commerce**, distributed and explained the following: HB 494 - an exemption from subdivision review for sale, rent, lease or other conveyances of building structures, [Exhibit 3](#); HB 629 - revises exemption of subdivisions with amendments, [Exhibit 4](#); and Governor Schweitzer's letter accompanying his amendatory veto of HB 494, [Exhibit 5](#); Ms Casillas distributed a PowerPoint, [Exhibit 6](#), that explains zoning, growth policy,

and subdivision statutes.

00:39:36 **Helen Thigpen, Staff Attorney, LSD**, distributed a copy of the legislative history of the Sanitation Act and the Subdivision and Platting Act. **Exhibit 7**. She talked about the draft Attorney General opinion regarding subdivision exemptions for lease or rent.

Committee comments and questions

The committee discussed the difference between the Sanitation Act and the Subdivision and Platting Act, and the draft Attorney General opinion.

00:41:46 Rep. Hansen

00:43:20 Ms. Thigpen

Committee comments and questions

The committee discussed subdivision site plan proposals, man camps in the oil fields, public safety and welfare, and irrigation and sanitation issues.

01:09:02 Rep. Rosendale

01:10:43 Sen. Hawks

01:12:17 Ms Casillas

01:13:35 Sen. Moore

Local Government issues

01:14:49 Rep. Arntzen and Ms. Casillas talked about "expedited review" by local governments, and a timeframe to review local subdivision site plan proposals. A working group that starts November 1 will be facilitated by staff from the Department of Commerce's Community Technical Assistance Program and will include people who testified during the 2011 session on HB 494 and HB 629. The group will attempt to arrive at proposals for the committee's consideration.

Public Comment

01:20:24 **Rep. Gary MacLaren** talked about the family transfer exemption statutes and asked that the committee look into problems associated with subdivisions created through family transfer that are exempt from review.

01:21:47 **Dustin Stewart, Montana Building Industry Association**, talked about private property protection rights and flexibility by local governments to choose their level of review.

01:25:51 Ms. Kurtz talked about adding family transfer exemptions into the work plan. Ms. Kurtz referred to a letter from Regina Plettenberg, Ravalli County Clerk and Recorder, asking that the committee include in its study the family transfer exemption. **Exhibit 8**

01:40:05 **Break**

01:40:53 Rep. Arntzen called the committee back to order.

Flood update

01:41:19 **Steve Knecht, Chief of Operations, Disaster and Emergency Services Division, Department of Military Affairs**, distributed handouts showing the declared flood areas and explained the Governor's declaration for Montana to receive assistance from Federal Emergency Assistance (FEMA). [Exhibit 9](#)

Committee comments and questions

The committee discussed the oil spill in the Yellowstone river by Billings, how the cleanup was handled by DEQ and Exxon-Mobil, and the responsibility for restitution of damages.

01:52:38 Rep. Arntzen

01:53:40 Mr. Knecht

01:54:34 Sen. Lake

Report on the progress of State Heritage Properties

01:57:46 **Mark Baumler, State Historic Preservation Officer**, talked about SB 3, which requires state agencies to report on the stewardship and maintenance of state-owned heritage properties and about how SB 3 is being implemented. [Exhibit 10](#)
He said that the final report will be available by July 2012.

Committee comments and questions

The committee discussed DNRC, its process of reporting of properties, recorded financial data of state-owned property received via grants, and a public effort toward historic preservation. Information on the value of accumulated investments will be provided at a later meeting.

02:08:22 Sen. Hawks

02:10:12 Sen. Lake

02:13:06 Ms. Kurtz

02:14:01 Rep. Arntzen

02:15:46 Mr. Baumler

02:17:13 **Dan Whyte, Staff Attorney, LSD**, distributed and explained a handout about teachers performance pay. [Exhibit 11](#) He talked about amendments to SB 329 and SJR 28 - a study of performance-based funding for K-12 education. [Exhibit 12](#)

Committee comments and questions

The committee discussed merit pay, components of schools, shared goals, and performance pay for teachers.

02:44:24 Sen. Jones

02:47:01 Sen. Lake

02:52:23 Mr. Whyte

02:53:47 Rep. Arntzen

Stakeholder comment on performance-based K-12 funding

02:55:27 **Bob Vogel, Montana School Boards Association**, distributed a handout summarizing the guiding principles for teacher's pay by developing and implementing an incentive plan. [Exhibit 13](#)

03:01:24 **Darryl Rud, Director, School Administrators of Montana (SAM)**, talked about myths and the power of awards in teaching.

03:04:35 **Marco Ferro, MEA-MFT**, talked about what works in Montana. He said it is through collaboration of teachers and school boards working on a problem together to solve the issues. He said that the Montana model for teacher pay is used throughout the United States.

Committee comments and questions

The committee talked about how merit pay and performance-based pay are two different issues, and that all education stakeholders need to be involved.

03:08:25 Rep. Rosendale

03:09:01 Sen. Branae

03:10:00 Mr. Whyte

03:12:24 **Lunch**

04:02:16 Rep. Arntzen called the committee back to order.

Administrative Rules Report

04:02:47 Mr. Whyte distributed handouts explaining the rules of the Board of Public Education regarding the English language proficiency standards and performance, [Exhibit 14](#), and a report called Common Core State Standards integrating Montana Indian Education. [Exhibit 15](#)

04:08:57 Sen. Lake and Denise Juneau, Superintendent of Public Instruction, talked about the national common core group, and her and Governor having signed on to develop a common core national standards curriculum. Ms. Juneau informed the committee that the standards are also on OPI's website.

OPI monitoring

04:20:53 Ms. Juneau distributed and explained handouts that included: SB 329 - a bill to revise K-12 laws; a letter written by Ms. Juneau to Arne Duncan, U.S. Department of Education, regarding Montana's compliance with No Child Left Behind requirements [Exhibit 16](#); a PowerPoint presentation of OPI's Adequate Yearly Progress (AYP) status; and an Annual Measurable Objectives (AMO) study. [Exhibit 17](#)

Committee comments and questions

The committee discussed Title I, extracurricular activities, attendance and enrollment, data tracking system of students, collective bargaining, and implementation of SB 329.

04:35:15 Sen. Lake

04:37:04 Rep. Arntzen

04:38:21 Madalyn Quinlan

04:49:10 Rep. Kristin Hansen

04:50:12 Ms. Quinlan

04:52:54 Rep. Rosendale
04:54:06 Sen. Lake
04:59:03 Rep. Arntzen
05:17:59 Sen. Jones

School funding training

05:53:31 Ms. Kurtz reviewed the committee's decision to include K-12 school funding training in the work plan and directed the committee to pages 4 and 5 of the work plan which shows the schedule for the training at each meeting during the interim.

05:57:05 Mr. Whyte distributed a handout and discussed the history of legal challenges to the state's public school funding. [Exhibit 18](#)

Committee comments and questions

The committee discussed quality of public schools, funding for schools, funding equalization, accreditation standards, the Board of Regents and Board of Public Education involvement with K-20 system, dual certification, and the digital academy.

06:07:15 Sen. Lake
06:09:47 Rep. Arntzen
06:11:03 Mr. Whyte
06:13:28 Sen. Jones
06:23:37 Sen. Hawks
06:34:08 Rep. Hansen
06:58:16 Rep. Mehlhoff

Board of Public Education report

07:02:25 Rep. Hansen gave an update of the Board of Public Education meeting she attended. She talked about a concept called intrusive advising, a report by Ms. Juneau called Graduation Matters, and common core standards for math and English.

Committee comments and questions

The committee discussed certification, the digital academy, and a bill that Sen. Facey had in a previous legislative session dealing with dual credit.

07:11:57 Sen. Hawks
07:13:52 Sen. Jones
07:18:14 Ms. Kurtz

Public Comment

07:19:37 Kevin Nelson, Billings, talked about Tax Increment Finance (TIF) districts, the under-evaluation of counties on assessment, and the equity of the tax burden to support education.

07:24:31 **Tonia Bloom, Corvallis School trustee**, distributed a handout of her talking points regarding the financial challenges facing Class A districts. [Exhibit 19](#)

07:25:50 **Theresa Stroebe, School District 2 Board, Billings**, talked about school district

budgets.

07:28:57 **Conrad Stroebe, Billings**, talked about HB 667 (1993), its impacts, and proposed solutions for problems. He discussed per-school entitlements, per-student entitlements, base budget funding, and funding based on the national per-student average. He distributed several handouts detailing the items he discussed.

[Exhibit 20](#)

07:57:28 Rep. Arntzen recessed the committee at 5:00 p.m.

SEPTEMBER 16, 2011

Education and Local Government

Visitor's list. [Attachment #1](#)

Agenda. [Attachment #2](#)

00:00:02 Rep. Arntzen called the committee back to order at 8:00 a.m. The secretary called roll. Attachment #3

School Finance Training

00:01:37 **Jim Standaert, Senior Fiscal Analyst, LFD**, presented a PowerPoint on the history of funding Montana schools. [Exhibit 1](#) He talked about the Montana K-12 foundation schedules, the permissive amount of funds, and voted levies.

Committee comments and questions

The committee talked about funding smaller school districts.

00:06:19 Sen. Hawks

00:08:37 Rep. Arntzen

00:10:43 Mr. Standaert continued with the presentation. He distributed a handout showing how required curricula has changed since the 1930s, with addition of both federal and state-required programs. [Exhibit 2](#)

Training report

01:38:38 Sen. Jones and Rep. Mehlhoff discussed a conference they attended sponsored by the Data Quality Campaign and the kinds of school data that is important to collect in order to measure performance.

MCEL Conference - Great Falls

02:00:54 Rep. Arntzen talked about attending the Montana Conference of Education Leadership taking place in Great Falls on October 19-21. She said the people attending this conference will report at ELG's November meeting.

02:03:59 **Break**

02:24:53 Rep. Arntzen called the committee back to order.

**K-12 education from perspective of MSBA AA, A and Independent elementary caucuses
Panel introduction of MSBA representatives**

02:25:44 **Bob Vogel, representing the Montana School Boards Association**, distributed a handout explaining the characteristics of future model AA schools, and its challenges. [Exhibit 3](#) He introduced panel members.

Class AA School Districts

Panel Members

02:27:39 **Ron Whitmoyer, Superintendent of the E. Helena School District**, distributed a handout explaining size of school districts, and the number of students being represented with data. [Exhibit 4](#)

02:34:18 **Michael Magone, Superintendent of the Lolo School District**, also talked about K-8 elementary school districts. He gave an example how the Lolo District data and teachers work together to provide information and communicate to meet the needs of the students.

02:39:56 **Chris Stout, superintendent of Seeley Lake District**, commended the educators in Montana on how they focus on the students. He talked about the data collection by the schools that is collected for transparency reasons, because the public want to know how the data works. He reported how independent school districts focus on student achievement.

Committee comments and questions

The committee discussed comparisons between K-8 and K-12 schools, communication between teachers and principals, consolidation, and cost per child.

02:47:05 Sen. Hawks

02:50:58 Ron Whitmoyer

02:52:15 Chris Stout

02:55:40 Sen. Lake

02:57:56 Mr. McGowan

03:04:02 Rep. Mehlhoff

03:06:54 Rep. Rosendale

03:07:34 Rep. Arntzen

03:10:36 Sen. Branae

Class A Caucus School Districts

03:22:52 **Tonia Bloom, Corvallis School Trustee**, distributed her testimony about unfunded mandates and inadequate funding from the federal government and Montana. [Exhibit 5](#) Ms. Bloom provided a list of the Class A school districts. [Exhibit 6](#)

03:37:44 **Dexter Thiel, Building Contractor and Trustee, Sidney Public School District**,

distributed a handout that highlights K-12 perspectives and concerns for Sidney Public Schools. **Exhibit 7** He talked about an increase in educational needs because of the influx of people to the area. Mr. Thiel talked about special needs kids, the need for school aids, school workforce, prisons, and welfare.

Committee comments and questions

The committee talked about finance and funding flexibility for schools, the legislature making the funds available, and school board trustees. There was discussion of funding allocation, restructuring utilization, and a formula being more responsive to situations.

03:51:15 Sen. Lake
03:54:23 Rep. Rosendale
03:55:00 Mr. Thiel
03:56:30 Ms. Bloom
03:58:54 Rep. Mehlhoff

Class AA

Panel members and introductions

Denise Hammond, Bozeman School Board

Mary Sheehy Moe, Great Falls School Board

04:06:20 Ms. Hammond addressed key challenges facing Montana's AA schools. She talked about the 3 "C"s - Career ready, College ready, and Citizenship. She talked about a biology teacher who places class materials on YouTube for students to access easily.

04:14:15 Ms. Sheehy Moe talked about the challenges that AA districts face, and the characteristics of future model AA schools.

Committee comments and questions

The committee discussed accessibility to Montana 2-year colleges, sorting priorities, cutting budgets, cost of training and technology, and involving and providing more information to the legislators.

04:20:57 Sen. Lake
04:25:06 Ms. Hammond
04:26:31 Mr. Vogel

04:29:03 **Lunch**

HB 142 Compliance: Certification Standards and Practices Advisory Council (CSPAC)

Panel members and introductions

04:40:51 **Pete Donovan, Administrative Officer for CSPAC**, distributed CSPAC's Annual Report to the Board of Public Education. **Exhibit 8** Mr. Donovan explained the duties of CSPAC and its involvement in the school system.

04:43:49 **Sharon Applegate, chair of CSPAC and a K-8 representative, Kalispell**, talked about revising the code of ethics, and the council membership goals.

04:48:08 **John Runnalls, vice chair of CSPAC, and Helena public school teacher**,

summarized how the educators and all stakeholders are working to make education better in Montana.

04:52:50 **Tammy Lacey, Human Resource (HR) Manager, Great Falls Public Schools,** talked about her duties when she was a school administrator and involved with public schools. She said it is her job as HR for the public school system to make sure the teachers she hires are ready to hit the ground running.

Committee comments and questions

The committee talked about updating the code of ethics, and how standards have changed over the years. They discussed the Montana Digital Academy, and teachers salaries in other states compared to Montana.

04:57:31 Rep. Arntzen
04:58:16 Ms. Applegate
05:00:27 Rep. Rosendale
05:01:32 Ms. Lacey
05:04:01 Rep. Hansen
05:06:55 Rep. Mehlhoff
05:09:13 Mr. Runnalls

Montana University System (MUS)

05:15:32 **Sheila Stearns, Commissioner of Higher Education, MUS,** distributed a handout explaining the role of the MUS. **Exhibit 9** She gave an update of the LUMINA Foundation proposal to increase participation in 2-year colleges. She talked about a new publication called College!Now-Our Story **Exhibit 10**, and a new website created by MUS that provides information for Montanans to find a more efficient and affordable way to attend college. She read a letter from Regent Lynn Morrison-Hamilton about MUS's accomplishments. **Exhibit 11**

05:25:26 **Tyler Trevor, Associate Commissioner, MUS,** presented a PowerPoint showing the new website that is providing data and how MUS is using the data. He discussed the new website stating that its features are simple and will be more manageable for the public to use.

Committee comments and questions

The committee talked about college enrollment, use of the MUS website, and how is the new site is monitored.

05:35:46 Sen. Hawks
05:36:32 Commissioner Stearns
05:38:07 Rep. Arntzen

Public Comment

05:39:40 **Marco Ferro, MEA-MFT,** talked about the Montana Educator Forum and models for new teachers. He distributed a brochure of the Forum that took place on September 30, 2011 in Helena called "Building Relationships that Work - a bridge to student success." **Exhibit 12**

05:41:21 Theresa Stroebe, representing herself, talked about her experience as a school

trustee at the Lockwood School District.

Motion

05:47:40 Sen. Facey made a motion that the committee recommend retaining statutory authority for CSPAC.

Discussion

05:48:53 Ms. Kurtz said there are four advisory councils that ELG will review as part of HB 142 compliance. She suggested that the committee wait until all the councils have been reviewed before making recommendations.

05:50:33 Rep. Hansen said she would rather the committee wait until they are near the end of interim to make a motion.

Motion

05:50:59 Sen. Facey withdrew his motion.

05:52:13 Rep. Price distributed handouts **Exhibit 13**, about the Interstate Compact for Educational Opportunities for Military Children. She talked about HB 257, introduced by Rep. Wilmer during the 2011 session, to implement the compact in Montana and suggested that the committee take another look at the issue at a future meeting.

06:03:48 Ms. Kurtz, Sen. Lake, and Sen. Branae discussed having someone report to the committee about the compact and what it would mean for Montana.

Work plan

06:05:25 Ms. Kurtz reviewed the committee's work plan and the issues that will be on the November 17-18, 2011, meeting agenda.

Committee comments and questions

The committee discussed various issues to be included in future ELG meetings.

- **sample of a school board's budget to review,**
- **flow of special funds,**
- **when can schools use the funds, and**
- **Shared Policy Goals and Accountability Measures**

06:08:15 Rep. Hansen

06:10:14 Rep. Mehlhoff

06:13:28 Sen. Lake

06:16:00 Sen. Facey signed off via teleconference.

06:17:26 Rep. Arntzen adjourned the ELG committee meeting at 2:20 p.m.