



## Education Interim Committee

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### 65th Montana Legislature

#### SENATE MEMBERS

TOM FACEY  
EDIE MCCLAFFERTY  
DANIEL SALOMON  
RUSSEL TEMPEL

#### HOUSE MEMBERS

FRED ANDERSON  
JACOB BACHMEIER  
MOFFIE FUNK  
DONALD JONES

#### COMMITTEE STAFF

PAD MCCRACKEN, Lead Staff  
LAURA SANKEY KEIP, Staff Attorney  
KATYA GROVER, Secretary

# MINUTES LOG

June 13, 2017  
Room 137, Capitol Building  
Helena, Montana

Please note: This document is a Minutes Log and provides a notation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video record of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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#### **COMMITTEE MEMBERS PRESENT**

SEN. TOM FACEY  
SEN. EDIE MCCLAFFERTY  
SEN. DANIEL SALOMON  
SEN. RUSSEL TEMPEL

REP. FRED ANDERSON  
REP. JACOB BACHMEIER  
REP. MOFFIE FUNK  
REP. DONALD JONES

#### **COMMITTEE MEMBERS EXCUSED**

NONE

#### **STAFF PRESENT**

PAD MCCRACKEN, Lead Staff  
LAURA SANKEY KEIP, Staff Attorney  
LAURA SHERLEY, Secretary

## VISITORS' LIST (Attachment 1)

## AGENDA (Attachment 2)

### COMMITTEE ACTIONS

The 2017-2018 Education Interim Committee:

- Elected Sen. McClafferty as Chair of the Committee;
- Elected Rep. Anderson as Vice Chair of the Committee;
- and moved to require a committee 2/3 vote for committee bills.

### CALL TO ORDER AND ROLL CALL

00:00:02 Sen. Facey called the meeting to order at 9:05 a.m. The committee secretary took roll ([Attachment 3](#)).

### INTRODUCTION OF MEMBERS AND STAFF

00:01:01 Pad McCracken, Lead Research Staff  
00:01:53 Laura Sherley, Committee Secretary  
00:02:17 Laura Sankey Keip, Committee Legal Staff  
00:02:41 Sen. Facey  
00:03:37 Rep. Jones  
00:04:10 Sen. McClafferty  
00:04:29 Sen. Tempel  
00:04:49 Rep. Bachmeier  
00:05:11 Sen. Salomon  
00:05:30 Rep. Anderson  
00:06:07 Rep. Funk

### ELECTION OF COMMITTEE PRESIDING OFFICERS

00:06:16 Sen. Facey asked the committee for Chair nominations for the 2017-2018 Education Interim Committee.  
00:06:44 Sen. McClafferty nominated herself as Chair.  
00:06:57 Sen. Facey asked for a motion to nominate Sen. McClafferty as Chair and Rep. Anderson as Vice Chair of the 2017-2018 Education Interim Committee.

### MOTION

00:07:40 Sen. Salomon moved to elect Sen. McClafferty as Chair and Rep. Anderson as Vice Chair of the 2017-2018 Education Interim Committee.

### VOTE

00:07:51 The motion passed unanimously on a voice vote.

### COMMITTEE ADMINISTRATION -- Pad McCracken, Committee Staff

00:09:10 Mr. McCracken (see Attachment 2)

### Compensation and expense reimbursement

00:12:14 Mr. McCracken discussed the compensation and expense reimbursement form that the committee members should fill out at each interim meeting.

### **Budget overview**

00:18:10 Mr. McCracken discussed the committee's budget for the 2017-2018 interim.

### **Operating rules**

00:21:10 Mr. McCracken covered the rules, procedures, and guidelines for Interim Committees ([Exhibit 1](#)).

### **Committee discussion**

#### **MOTION**

00:32:32 Sen. Facey moved that the committee accept proxy votes for the 2017-2018 Education Interim Committee.

#### **DISCUSSION ON THE MOTION**

00:32:56 Sen. Salomon asked for clarification of the current rules and guidelines for interim committee proxies.

00:33:34 Rep. Funk asked for clarification of voting rules and guidelines. The question was referred to Mr. McCracken.

00:34:29 Rep. Bachmeier asked if members of the public will be involved in the committee meetings.

#### **MOTION WITHDRAWN**

00:35:16 Sen. Facey withdrew his motion.

00:35:26 Rep. Jones asked that the committee to discuss how to manage voting for a committee bill.

#### **MOTION**

00:36:00 Rep. Jones moved that the committee require a 2/3 vote for a committee bill.

#### **DISCUSSION ON THE MOTION**

00:36:07 Sen. Salomon commented on the importance of the majority vote for a committee bill.

00:36:50 Rep. McClafferty asked Mr. McCracken how many members would be needed for a 2/3 vote.

#### **VOTE**

00:37:07 The motion passed unanimously on a voice vote.

00:37:27 Sen. McClafferty clarified the motion.

### **COMMITTEE OVERVIEW: RESPONSIBILITIES, OVERVIEW OF PROPOSED WORK PLAN - - Pad McCracken and Laura Sankey Keip, Staff Attorney**

#### **Committee background**

00:37:48 Mr. McCracken covered the background work of the committee and what the members should expect in upcoming meetings.

#### **Statutory duties**

00:42:00 Mr. McCracken reviewed the statutory duties of the 2017-2018 Education Interim Committee ([Exhibit 2](#)).

00:48:37 Rep. Funk asked if the committee's role with the Board of Public Education is

- strictly regarding economic impact.
- 00:49:03 Mr. McCracken continued his presentation (see Exhibit 2).
- 00:51:12 Sen. McClafferty asked if the committee's recommendation on advisor councils need to be decided upon at this meeting.

#### **Administrative rule review**

- 00:51:50 Ms. Sankey Keip covered the background of the administrative rule review for interim committees and the current administrative rule review for this committee ([Exhibit 3](#)) and ([Exhibit 4](#)).
- 01:01:10 Mr. McCracken reminded the committee that it is their decision on how they will handle the statutory duties.

#### **Study assignment(s) and other topics**

- 01:02:07 Mr. McCracken discussed the committee assigned study HJ 1 - *A study of funding for educational programs for students with special needs*, covered topics pertinent to the committee's work, and reviewed the draft schedule of upcoming meeting dates (see Exhibit 2), ([Exhibit 5](#)), and ([Exhibit 6](#)).

#### **Committee discussion/questions**

- 01:11:50 Sen. Facey asked Mr. McCracken for clarification of the information the committee should give to the Board of Regents.
- 01:13:39 Sen. Facey commented on the committee's long range planning with the Board of Regents.
- 01:14:27 Sen. Facey asked Mr. McCracken for copies of the shared policy goals for K-12, K-20, and Higher Education and recommended that committee work correlate with the committee's budget.
- 01:15:28 Sen. Facey asked if the Board of Regents have been asked about a budget flexibility formula . The question was referred to Rep. Jones.
- 01:16:31 Rep. Jones asked Mr. McCracken if there was a performance based formula. The question was referred to Sen. Salomon.
- 01:18:08 Sen. Facey asked Ms. Sankey Keip if the only rule that the committee is addressing with the Board of Public Education is School Bus requirements.
- 01:18:57 Rep. Funk asked Ms. Sankey Keip if the School Bus requirements were what the committee studied last interim.
- 01:20:23 Sen. McClafferty commented on the shared policy goals work and the importance for the committee to be refreshed on the topic.
- 01:20:46 Sen. Facey asked if the committee could have a review of the differences between the Every Student Succeeds Act (ESSA) program and the No Child Left Behind program.

**BREAK** (reconvened at 10:44 a.m.)

#### **RECAP OF K-12 FUNDING CHANGES; IMPACTS OF REVENUE SHORTFALLS -- Pad McCracken and Rob Miller, Fiscal Analyst, Legislative Fiscal Division (LFD)**

- 01:40:44 Mr. Miller introduced himself to the members.
- 01:41:48 Mr. McCracken reviewed the bill drafts suggested by the 2015-2016 School Funding Interim Committee that the committee could consider sponsoring ([Exhibit 7](#)).

- 01:49:43 Sen. McClafferty asked how much the National Board certified teacher stipend pays out. The question was referred to Marco Ferro, Public Policy Director, MEA-MFT.
- 01:52:06 Mr. McCracken continued the presentation.
- 01:53:57 Mr. Miller discussed the FY 2016 Statewide General Fund Budget ([Exhibit 8](#)).
- 02:03:35 Sen. Facey asked Mr. Miller for clarification of Guaranteed Tax Base (GTB).
- 02:04:07 Mr. Miller continued the presentation.
- 02:08:25 Rep. Bachmeier asked if HB 647: *Generally revise education funding, implement general appropriations bills* has an equitable distribution.
- 02:09:46 Mr. McCracken continued the presentation.
- 02:12:48 Sen. Facey commented on the 1980's school funding crisis and compared the current numbers in school funding.
- 02:14:23 Mr. McCracken continued the presentation.
- 02:16:23 Mr. Miller discussed the school funding model that is jointly used by the Office of Public Instruction, the Governor's office, and LFD.
- 02:18:00 Sen. McClafferty asked if the GTB will eventually decrease.
- 02:20:35 Rep. Bachmeier commented on the tax increases in Class C schools.
- 02:21:33 Sen. Facey asked if the 2021 figures are projected in the funding models.
- 02:22:54 Sen. Facey reviewed the legislature-encouraged consolidation of school districts.
- 02:23:41 Mr. McCracken discussed the current school facility needs that were highlighted during the 2017 Legislature ([Exhibit 9](#)).
- 02:34:09 Sen. McClafferty asked for clarification of how a school district's funding is used.
- 02:35:05 Mr. McCracken discussed SB 261 and the budget reductions related to education ([Exhibit 10](#)).
- 02:36:34 Mr. Miller reviewed the SB 261 budget stabilization triggers ([Exhibit 11](#)).
- 02:39:38 Sen. Salomon asked for clarification of the budget projections.
- 02:40:15 Sen. Facey asked for clarification of the 0.5% reduction and if some of the cuts would be filled with voted or permissive mill levies.

#### **Public comment**

None

**LUNCH** (reconvened at 1:00 p.m.)

#### **FY 2017 GENERAL FUND REVENUE SUMMARY UPDATE**

- 03:55:14 Shauna Albrecht, Legislative Fiscal Analyst, LFD
- 03:55:32 Rep. Jones commented on Ms. Albrecht's background and experience.
- 03:56:02 Stephanie Morrison, Legislative Fiscal Analyst, LFD, presented on the General Fund Revenue Summary Update for FY 2017 ([Exhibit 12](#)).

#### **Committee questions**

None

**OFFICE OF PUBLIC INSTRUCTION (OPI) -- Elsie Arntzen, Superintendent of Public Instruction**

**2017 Session review**

04:00:59 Supt. Arntzen ([Exhibit 13](#))

**OPI update and activities**

- 04:04:48 Ken Bailey, Department of Operations Assistant Superintendent, OPI, presented on SB 261 and the budget reductions related to education (see Exhibit 13).
- 04:09:41 Sen. McClafferty asked for clarification of the Natural Resource Development (NRD) funding for 2019.
- 04:10:07 Mr. Bailey continued his presentation.
- 04:16:53 Kara Sperle, School Finance Division Administrator, OPI, discussed HB 355 and school payment processing.
- 04:18:19 Sen. Facey asked for information regarding the ten years study with OPI GEMS. The question was referred to Mr. McCracken.
- 04:20:16 Ms. Sperle continued her presentation.
- 04:22:27 Susie Hedalen, Director of Educational Services, OPI, updated the committee on the ESSA program.
- 04:31:34 Michael Hall, Director of Gifted & Talented Education, OPI, updated the committee on the Gifted and Talented Children program (see Exhibit 13).
- 04:36:07 Rep. Funk asked if the definition of Special Needs in the Gifted and Talented Education program is taken from a federal definition.
- 04:38:03 Rep. Funk asked why the program does not receive federal funding.
- 04:39:58 Rep. Bachmeier asked if there is any coordination between Montana Digital Academy (MTDA) classes and gifted education programs.
- 04:41:05 Rep. Jones asked if the program is working with the university system so they are prepared for the program's graduating students.
- 04:43:52 Frank Podobnik, Director of Special Education, OPI, updated the committee on the department's current activities on special education (see Exhibit 13).

**Requests/suggestions for work plan**

04:51:45 Supt. Arntzen spoke to the committee about the importance of utilizing the presenters from OPI for the committee's future decisions.

**Committee questions**

04:52:24 Rep. Funk asked for the updated OPI School Funding overview information. Supt. Arntzen will follow-up with the information request.

**BOARD OF PUBLIC EDUCATION (BPE) -- Peter Donovan, Executive Director**

**Introduction to BPE role and duties**

- 04:53:42 Mr. Donovan introduced the committee to the role and duties of the Board of Public Education ([Exhibit 14](#)).
- 04:58:59 Sen. Facey asked for clarification of language on the Montanan Certification Standards and Practices Advisory Council information (see Exhibit 14).

- 04:59:49 Mr. Donovan continued his presentation and introduced the committee to the duties and roles of the Montana Certification Standards and Practices Advisory Council (**Exhibit 15**).
- 05:02:25 Rep. Jones asked about the former Board of Public Education member Paul Anderson.

**OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION (OCHE) -- Clayton Christian, Commissioner of Higher Education**

**2017 Session review**

- 05:04:05 Mr. Christian updated the committee on the current issues and 2017 Session bills that are and/or will effect the programs within OCHE.
- 05:16:27 Sen. Salomon asked if donors or companies have contributed to HB 185: *Establish grant program to eliminate tuition for certain postsecondary programs.*
- 05:17:02 Rep. Bachmeier asked Mr. Christian to comment on the governance and organizational structure of the university system.
- 05:20:37 Sen. Facey asked if the Board of Regents reconstruction would need legislative action or if it can be handling independently.
- 05:21:16 Sen. Salomon asked if there has been positive results with the transferability of credits between schools.
- 05:24:37 Rep. Jones commented on the frustration of his constituents regarding the organizational structure of the university system.
- 05:31:15 Rep. Bachmeier asked who the department is speaking with regarding the issues with governance and organizational structure within the system, what solutions have been presented, and how the department plans implement those solutions.
- 05:32:55 Rep. Bachmeier asked if there will be a representative from each university campus involved in solving the organizational structure issues.
- 05:33:53 Rep. Funk asked if there will be a budget for the consulting firm.
- 05:35:59 Sen. McClafferty recommended that the the topic of organizational structure issues be added to the committee's work plan.
- 05:36:17 Rep. Jones asked Mr. Christian to provide information regarding the gifted and talented program.

**OCHE/Board of Regents update and activities**

- 05:37:35 Mr. Christian updated the committee on the Board of Regents activities.

**Committee questions**

None

**GOVERNOR'S OFFICE UPDATE AND INPUT -- Siri Smillie, Education Policy Advisor**

- 05:46:09 Ms. Smillie updated the committee on HB 639: *Pilot Program for Publically Funded Preschool* and HB 390: *K-12 Broadband Funding*.

**Committee questions**

- 05:52:05 Sen. Salomon asked how the office is going to present the STARS program data and how they will provide this data to the Legislature.
- 05:53:29 Sen. Salomon asked what the office is studying with their private-public partnerships.

**STAKEHOLDER AND PUBLIC COMMENT ON WORK PLAN, INCLUDING HJ 1 -- A STUDY OF FUNDING FOR EDUCATIONAL PROGRAMS FOR STUDENTS WITH SPECIAL NEEDS**

05:56:17 Kelly Fedge DuBose, Bozeman ([Exhibit 16](#))  
06:06:27 Erica Burleigh, Alberton  
06:14:55 Kim Hawely, Dillon  
06:20:35 Tera Beth Jochems, Billings  
06:31:03 Kara Reirey, Bozeman  
06:34:42 Nataline Sanford  
06:36:55 Oliva Hawely, student, Dillon  
06:38:12 Dennis Parman, Montana Rural Education Association  
06:38:56 Kirk Miller, School Administrators of Montana  
06:40:29 Marco Ferro, Montana Public Education Center  
06:41:10 Bob Vogel, Montana School Boards Association  
06:42:15 Bob Story, Montana Taxpayers Association  
06:46:19 Dirk Nelson  
06:53:57 Kelly Fedge DuBose, Bozeman  
06:57:03 Lily Asche, student

**WORK PLAN DISCUSSION**

06:58:50 Pad McCracken discussed the committee's draft work plan (see Exhibit 2).  
06:59:51 Sen. Facey asked to review scholarships in the Montana University System, check the University System funding governance, increase support of funding to the University System, and have a presentation from OPI.  
07:04:09 Rep. Anderson recommended that the committee consider the chronic absenteeism and truancy within schools.  
07:04:50 Rep. Funk asked what the funding committee did regarding costs, suicide prevention, and recommended a presentation from the State Library  
07:07:15 Rep. Bachmeier asked the committee to consider comprehensive treatment for mental health.  
07:08:16 Sen. Facey recommended that the committee not focus on mental health and suicide issues as this is under the jurisdiction of the Children, Families, Health, and Human Services Interim Committee (CFHHS).  
07:09:16 Sen. McClafferty asked Mr. McCracken if studies pertaining to suicide were assigned to CFHHS.  
07:10:02 Sen. Facey recommended that the committee be aware of best practices and asked how to get those best practices out to the schools.  
07:10:37 Sen. Salomon asked for review of scholarships and how the committee assists the university system.  
07:12:45 Rep. Jones recommended a review of section 5-5-224, MCA, and the committee's work with the university system. He also asked that the committee review career and technical education and work-based apprenticeships.  
07:15:19 Rep. Anderson requested studying Career Technical Education (CTE) programs.

**WRAP UP -- NEXT MEETING DATE AND AGENDA ITEMS**

07:16:00 Sen. Tempel asked about the committee's draft meeting dates.  
07:16:51 Committee discussion on meeting dates.  
07:18:54 Sen. Salomon asked why most of the proposed meeting dates were on Fridays.  
07:19:18 Rep. Bachmeier requested meeting dates earlier in the week.



- 07:19:38 Rep. Funk recommended that the committee set an early September meeting so that it is not too close to the November meeting date. She also asked if Sen. McClafferty and Mr. McCracken will draft an agenda for the next meeting.
- 07:20:12 Rep. Jones recommended that the meeting with the Board of Regents should also regard section 5-5-224, MCA, and outcome assessments.

**ADJOURNMENT**

- 07:21:43 With no further business before the committee, Sen. McClafferty adjourned the meeting at 4:27 p.m.

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