



Education and Local Government Interim Committee

PO BOX 201706
Helena, MT 59620-1706
(406) 444-3064
FAX (406) 444-3036

58th Montana Legislature

SENATE MEMBERS

DON RYAN--Vice Chair
GREGORY BARKUS
WILLIAM GLASER
RICK LAIBLE
JEFF MANGAN
DEBBIE SHEA

HOUSE MEMBERS

JOAN ANDERSEN--Chair
NORMAN BALLANTYNE
SUE DICKENSON
TOM FACEY
VERDELL JACKSON
LARRY LEHMAN

COMMITTEE STAFF

CONNIE ERICKSON, Research Analyst
EDDYE MCCLURE, Staff Attorney
SANDRA SHEPHERD, Secretary
PAMELA JOEHLER, Fiscal Analyst

MINUTES

September 15, 2004

Room 137, State Capitol
Helena, Montana

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.

COMMITTEE MEMBERS PRESENT

REP. JOAN ANDERSEN, Chair
SEN. DON RYAN, Vice Chair

SEN. WILLIAM GLASER
SEN. RICK LAIBLE
SEN. JEFF MANGAN
SEN. DEBBIE SHEA

REP. NORMAN BALLANTYNE
REP. SUE DICKENSON
REP. TOM FACEY
REP. VERDELL JACKSON
REP. LARRY LEHMAN

MEMBERS EXCUSED

SEN. GREGORY BARKUS

STAFF PRESENT

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

AGENDA & VISITORS' LIST

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

CALL TO ORDER AND ROLL CALL

REP. ANDERSEN called the meeting to order at 9:00 a.m. The Committee Secretary noted the roll (Attachment #3). SEN. BARKUS was excused. The minutes of the June 9, 2004 meeting was approved as written on a unanimous voice vote.

I. REVIEW OF AGENCY LEGISLATION

Arnold Olson, Director of the Historical Society, presented two bills. The first bill (*EXHIBIT 1*) proposes to change the law for properties managed by the Historical Society. The current law requires that the Historical Society conduct audits quarterly. The cost of doing audits is expensive due to a lack of personnel and travel expenses. This bill would ask for biennial review instead of quarterly audits with the Historical Society looking at their books every two years. REP. ANDERSEN suggested that the books also be audited when there is a change in bookkeepers.

The next bill (*EXHIBIT 2*) proposes to change one of the requirements in the statutes regarding donations that the Historical Society might receive. The current law states that any donations received over \$500 that are not earmarked for a specific purpose, go into the acquisition trust for purchase of artifacts or art. The Society would like to remove the requirement that donations over \$500 and not earmarked for specific purposes be put into the acquisition trust, and allow the Historical Society to put the donations into whatever priorities the agency might have at that time.

SEN. MANGAN asked if they need to take out "the less than \$500" and make that general; what happens to the money over \$500 and where is it deposited. **Mr. Olson** replied that they will clarify that.

SEN. RYAN asked that when people make donations over \$500, does the Society inform them where that is going to or what the process is. **Mr. Olson** said that the Society informs them of what the law says.

Darlene Staffeldt, Director of Statewide Library Resources, Montana State Library, presented three bills (*see EXHIBIT 3*) at the request of the State Library Commission for consideration.

Steve Gettel, Superintendent of the School for Deaf and Blind, Great Falls, presented a bill draft request that deals with the statute for the admittance of students. Mr. Gettel is requesting that the law be changed to reflect that the eligibility of the students be defined by federal law, and that the statute refer to the Administrative Rules adopted and approved by the Board of Public Education for the actual admittance process for those students.

SEN. SHEA noted that there was nothing on the bill regarding passage and approval and would he like that to be included. **Mr. Gettel** replied, yes.

REP. DICKENSON asked if this was going to allow more children to be able to be educated at the Montana School of Deaf and Blind, or does this limit numbers. **Mr. Gettel** replied that it is a clarification; it does not improve the process because of compliance with IDEA which stipulates

eligibility criteria for children.

REP. ANDERSEN asked for a motion to present the requested bills to be put into the drafting process. It was so moved by REP. DICKENSON and seconded by SEN. MANGAN. The motion passed unanimously.

II. PREVIEW OF LOCAL GOVERNMENT LEGISLATION

Gordon Morris, Montana Association of Counties (MACo), handed out two documents (*EXHIBIT 4*) to the Committee members. The first document is a list of resolutions that have been brought forth during his district meetings, which have just concluded. The resolutions will be presented to the full membership in September. The second document was a list of talking points.

REP. FACEY commented that MACo endorses the concept of providing local mental health service through existing community mental health system, and in the last session there was a bill to have district wide planning with counties and the State and the providers of mental health. How was that bill progressing with regard to that planning process that was started last session? **Mr. Morris** said that from the county perspective, it has not gone well because of the fact that the law that was enacted proposed sunseting community mental health centers across the state of Montana and replacing the existing structure with Service Administrative Authority (SAA). If it continues to go in that direction, mental health centers will end up with services being deliverable in the urban areas but not in rural Montana.

REP. JACKSON commented on MACo's support of tax reform and the efforts that were put into the sales tax issue during last session. Does Mr. Morris see any difficulty in doing both a statewide sales tax and local option tax, and what is Mr. Morris' strategy in terms of making the public more receptive to a sales tax? **Mr. Morris** said that a strong coalition group needs to be formed that is supportive of a general sales tax. The coalition would develop a package to take to the voters with positive elements for a general statewide sales tax. As far as the local tax option, perhaps a general sales tax and a local option tax piggybacked at the same time for voter approval. The local option would always be subject to the approval of the voters.

REP. ANDERSEN asked if there would be any consideration given to exempting those people in surrounding counties from paying that local option tax in the county levying the local option tax. **Mr. Morris** replied that has never come up in any local option tax discussions, but that idea can be further explored.

Mr. Morris continued with the resolution of the County Attorney salary issue. State law says that the State provide 50% of the county attorney salary through the appropriations process. MACo wants to take a look at the county attorney salary, work with the Association, tie their salary to that of the District Court Judge salary, and what the considerations would be to have the State contribution put into the entitlement program.

SEN. RYAN wanted clarification on whether deputy county attorneys were affected by this and would that become a local issue, or are they set on a scale according to what the county attorney receives. **Mr. Morris** said they would not be affected, but they would look to de-couple the salary for the deputy county attorneys from that of the county attorney.

Alec Hansen, Montana League of Cities and Towns, said that the Montana League of Cities and Towns, at their next meeting, will be discussing resolutions dealing with local option tax and the public purpose versus private property rights. The League is interested in several programs. One is to remove the sunset on tax increment financing districts, which are effective economic development tools. Another interest is "Main Street", a program sponsored by the National Trust for Historic Preservation that rebuilds historic downtowns by developing marketing plans and business development plans, and taking historical properties and turning them into thriving business centers. The League will be asking for an appropriation to set up a statewide Main Street program in Montana.

III. REPORT FROM K-12 HEALTH INSURANCE WORKING GROUP

Connie Erickson, Research Analyst for Education and Local Government Subcommittee gave her report on the issue of health insurance for school district employees. She started out by giving a little background on the establishment of the Working Group, which is composed of representatives from educational organizations, school districts and health insurance providers. The Working Group presented a bill draft to the Subcommittee in May, with the School Boards Association and the Montana Rural Education Association opposing it as written. The Working Group was charged to come up with a proposal that was acceptable to everyone by August 1. In mid-August, a proposal was mailed to the Subcommittee and followed up with an actual bill draft in late August. The Working Group met in early September to make further revisions. Ms. Erickson passed out the revised bill draft (see *EXHIBIT 5*), as well as a copy of an e-mail from Dan Martin, of the Billings Public School Health Insurance Committee (see *EXHIBIT 6*), which is his testimony in support of the bill draft. Ms. Erickson further commented that there were two major changes to the bill draft mailed in August and those are reflected in the revised bill draft. One is the removal of all contingency provisions; and two, the Insurance Commission will regulate the program. The mandated health provisions that was in the original bill draft have also been removed. This is the bill as it stands today minus the additional sections the Insurance Commissioner's Office deems necessary to be included for regulation purposes. Ms. Erickson went over the revised bill draft section by section.

Thomas Bilodeau, Research Director for MEA/MFT passed out a document from MEA/MFT in support of the statewide Montana K-12 Insurance Plan (see *EXHIBIT 7*).

Those who spoke in support of the bill draft:

Judy Higgins, Great Falls Public Schools
Marta York, Missoula County Public Schools Insurance
Joe Potter, Missoula County Public School Insurance Committee
Bob Vogel, Montana School Boards Association
Darryl Rud, School Administrators of Montana
Jules Waber, representing Montana Association of County School Superintendents and Montana Small Schools Alliance

Those who spoke in opposition of the bill draft:

John Jones, Deaconess Billings Clinic, opposed the idea of creating a single statewide program. He would like to see school districts use the \$200 credit to purchase health insurance from any number of providers.

Erin McGowan-Finchen, Department of Insurance, explained the Department's intent to add the regulatory sections to the bill draft. The Department of Insurance recommended that this health insurance pool be regulated similar to that of other health service corporations so they would be in compliance with health insurance regulations.

Bob Robinson, Executive Director of Montana Schools Services Foundation, commented that he was a member of the Working Group and provided technical expertise to the Subcommittee. Mr. Robinson said that the bigger the pool is the more stability it has.

REP. DICKENSON asked Mr. Jones, that because he opposed the health plan, would he give some specific examples as to where his concerns came from. **Mr. Jones** said that insurance itself is risky and that cash flow is unpredictable and dependent upon having a strong financial background of the sponsoring organization. One needs reserves, needs to invest them and make a good return on the money to help augment the total operation. This plan proposes having reserves equal to one month of cash flow of claims which he thinks can be blown through in two days. The failure comes when a plan is not adequately funded.

REP. SHEA asked if employees and dependents all have to be under the same plan. **Mr. Bilodeau** answered that the individual employee or retiree makes a decision about enrolling in the basic, standard or preferred health plan, and would also annually make the decisions about dependent's coverage as well. REP. SHEA's next question was that once the district has opted into the program, is the \$200 for every employee coming in to the district, whether or not the employee is in the program, and will that raise any kind of a red flag when you're moving that through the process of the legislature. **Mr. Bilodeau** said that the \$200 for every employee goes to the district when the district opts into the program, whether or not the employee does or doesn't participate. He also believes that will not raise any questions as it goes through the process of the legislature. REP. SHEA's final question: Do you have something in place to market this? **Mr. Bilodeau** said that the Working Group has gone out to AA school districts, administration, their insurance committees, and local bargaining units and spoke about the proposal and answered any questions they might have.

SEN. MANGAN asked, if the administrative costs of seven percent is seven percent of the value of the plan of all the money coming in, and is that related to the \$200 going in for every employee? **Mr. Bilodeau** explained that the administrative costs are expenses of the Board: hiring actuaries, hiring plan designers, payroll, etc., and these costs are plan wide. The seven percent would be applied against the entire \$120 million annual claims.

SEN. MANGAN wanted to know in regards to the medical insurance percent rate, where the \$200 will go in the next few years. **Mr. Bilodeau** explained that historically over the last 20 years, medical costs inflation is measured by Department of Labor, Bureau of Labor Statistics. Currently, the medical cost inflation number is running around 10%. That is to be distinguished from premiums. The rate of premium increase in the State on average is running around 14%. Premiums will be higher in administrative costs unrelated to actual medical costs themselves. The plan will only call for additional state monies for the per employee per month credit to be based on a nationally available, consistently measured Bureau of Labor Statistics.

SEN. RYAN asked if the state will be subsidizing the cost of covering the premiums for the additional employees who will be enrolling in the plan with state aid. **Mr. Bilodeau** said that in

some manner, yes. Currently \$88 million of school district general fund budget is spent on health benefit costs and that amount is paid for by school district employers out of the general fund towards premiums. Additionally, \$15 to \$20 million of out-of-pocket employee money is going in to pay for those local district premiums, bringing it up to about \$110 million in health care coverage. This provides state money that will be available to offset \$48 million of the current \$88 million school district general fund expenditures for health benefits and a portion of that is to cover those additional 2500 people anticipated to be enrolled.

REP. LEHMAN asked if MEA/MFT was one of the parties to the school funding lawsuit. **Mr. Bilodeau** said yes.

REP. LEHMAN asked if Mr. Bilodeau saw this \$48 million related to the school funding lawsuit. **Mr. Bilodeau** said that they do see the additional money as an integral, important component in school finance reform necessary as a result of the Montana Quality Education Coalition lawsuit.

SEN. GLASER asked Mr. Vogel about the \$2 million start up money. **Mr. Vogel** said that the \$2 million start up money comes from a loan or a line of credit from the Board of Investments. The \$24 million line of credit really speaks to the reserve requirements for the initial period of the operation of the K-12 SHIP.

SEN. GLASER asked Mr. Bilodeau if he had any objection to having a clause that says the final auditor would be, in fact, the State Auditor. **Mr. Bilodeau** said that there are provisions of the existing Montana statute not included in this bill to permit the Legislative Auditor to investigate and audit any programs that expend state monies. The Legislative Auditor will always have that authority. Their selection of the Department of Insurance to be the preferred routine financial reviewer is based on their attempt to follow standard practice within the insurance industry.

SEN. LAIBLE said that in regard to the \$2 million and the \$24 million that they plan to borrow from the Board of Investment, the plan is to pay back that money out of the revenue generated at the \$200 a month. What happens if there isn't sufficient capital to pay back those loans once they have accessed that line of credit? Who is responsible for paying that back. **Mr. Bilodeau** said that the Legislative Auditor believed that all expenditures of the statewide health plan were ultimately a liability of the State General Fund. By statute and their understanding of the operation of the Board of Investment, the liability for repayment of the loan and any draw on line of credit would first be guaranteed by the \$48 million credits, but beyond that, under the Board of Investment loan practices, the liability would be jointly shared by all participants of the K-12 SHIP.

SEN. LAIBLE asked, is the Board of Investment loaning money to the State to fund the plan against the full faith and credit of the State, or are they loaning money to the participants and the SHIP program? **Mr. Bilodeau** said the ultimate liability will lie with the participants in the statewide health insurance program rather than the State.

REP. DICKENSON said she was not sure about the last sentence in Section 6 that stated that an employee who waives enrollment and coverage is not eligible to receive the incentive credit. There was discussion that even if they decided to waive coverage, that incentive credit goes into the K-12 SHIP. **Mr. Bilodeau** said that sentence does need to be changed.

REP. DICKENSON asked, regardless of whether or not an employee decides to be enrolled, will the State still commit x number of dollars per eligible employee to K-12 SHIP? **Mr. Bilodeau** replied that is correct.

REP. ANDERSEN had a question regarding impact aid schools. With regard to Senate Bill 424, the costs for employees in impact aid districts were covered. Would that continue to occur or would they be eliminated from the count? **Mr. Bilodeau** said that it was his understanding that with respect to impact aid districts, that obligation under Senate Bill 424 is not going to be held applicable to impact aid districts. It is their anticipation that all employees of school districts, regardless of the source of funding for their salaries or benefits, will be treated identically under the K-12 SHIP and that all impact aid funded employees will be eligible to participate and be eligible for the \$200 per eligible active employee.

REP. ANDERSEN asked for a motion. REP. FACEY moved that the Legislative Services Division be given the authority to continue to work on the bill draft on behalf of the Committee and that the bill draft goes before the Legislature with the words "At the Request of the Educational and Local Government Committee." It was seconded by REP. BALLATYNE.

SEN. LAIBLE commented that he would like to set a time and tie it into when the Legislature begins discussions regarding the Supreme Court decision. REP. FACEY also commented that depending upon what the Supreme Court decides, he would ask the Committee to allow this to move forward to Legislative Services Division. REP. DICKENSON commented that the health insurance issue is crucial to local school districts and local taxpayers. This Committee needs to move this legislation forward to conform the whatever the Supreme Court decision might be.

Committee Secretary called for roll call vote (*EXHIBIT 8*) with the vote being unanimous that this bill will go as a bill draft request by this committee.

IV. LOCAL GOVERNMENT SUBCOMMITTEE REPORT

SEN. MANGAN reported that the Working Group was asked to look at the sanitation issue and report to the Local Government Committee on their findings at their meeting on September 14, 2004. The Working Group came up with some points of consensus but no bill draft. SEN. LAIBLE will carry a continuation of the study resolution to address the sanitation issue. They will not go forward with a bill from the Committee unless there is a consensus on when the sanitation review will occur and in what areas. If there is consensus, both SEN. LAIBLE and SEN. MANGAN will co-sponsor a bill.

V. ADMINISTRATIVE ASSESSMENTS ON MUS LAND GRANT INCOME

Sheila Stearns, Commissioner of Higher Education handed out a memorandum from LeRoy Schramm, Chief Legal Counsel to the Board of Regents, regarding the Administrative Assessments on University System Land Grant Income (*see EXHIBIT 9*) to members of the Committee. Ms. Stearns commented on the options that Mr. Schramm listed. Ms. Stearns thinks that option 4 should be looked at before expensive or difficult approaches are examined.

Bud Clinch, Director of Montana Department of Natural Resources and Conservation commented that DNRC manages 5.2 million acres statewide for ten different trust beneficiaries

of which the University System is just a portion of that. He presented a packet (see *EXHIBIT 10*) for the members to look through which includes some legal opinions contrary to those by both Mr. Schramm and Mr. Petesch.

REP. SHEA asked if Dr. Stearns had anything in mind that would play into some acceptable compromise for option 4. **Ms. Stearns** said she did not.

SEN. GLASER asked Mr. Petesch to give the committee his thoughts on administrative assessments. **Mr. Petesch** responded that in February of 2004 he was asked to address the University assessment at the President of the Senate's request. He summarized his conclusions in a letter and those conclusions were that he did not believe that the assessments imposed against the University land are as violative of the Constitution as are the assessments made against the public school fund. The reason for that is the difference in the language of the Montana Constitution. Mr. Petesch has been urging the State to do a cost benefit assessment of the risks they are incurring by making those assessments against the benefit they gain by doing those assessments.

SEN. GLASER asked that when Mr. Petesch was in the process of analyzing that, did he pay any attention to the cash flow basis and the fact that those entities also get General Fund money. **Mr. Petesch** said that part of his analysis has been that the Legislature historically has appropriated a great deal more General Fund to K-12 education and the University System than they have diverted from the Department through the assessments. He has never understood why the Legislature is willing to incur the potential risks of having to pay back the trust, when you can not indicate that you are saving money since you are appropriating General Fund in excess of the assessment.

REP. DICKENSON asked Mr. Clinch if the assessments have increased in the last ten to fifteen years monetarily from when they were first started back in the 60s. **Mr. Clinch** answered yes.

Ms. Stearns wanted to share in that answer and would call attention, in terms of the projections, to the fourth page of the handout. The amounts involved are projected to increase with the further assessment on timber sales. She concluded to say that she would like it to be recognized that this is in no way a reflection of concern by the Board of Regents about the good management of the trust lands or the quality or any substantive judgment in that respect.

VI. REPORT FROM POSTSECONDARY EDUCATION POLICY AND BUDGET SUBCOMMITTEE

REP. DICKENSON presented a report from Postsecondary Education Policy and Budget Subcommittee and handed out a document entitled *Shared Leadership for a Stronger Montana Economy* which contained the status of the Work Plan (see *EXHIBIT 11*).

Ms. Stearns passed out a brochure entitled Collision Course (see *EXHIBIT 12*) to the members, describing the rising costs of college that threatens America's future. **David Gibson, Office of Economic Opportunity**, and **Ms. Stearns** passed out and explained a document entitled *Shared Leadership Project - PEPB Prioritized Initiatives* (see *EXHIBIT 13*), which described the six initiatives with the three most important listed first. The six initiatives are: Workforce Training and Education, Promote and Enhance Access to Postsecondary Education,

Distance Learning, Montana University System - Business Partnerships, Montana University System and Government Collaboration, and Montana University System - Montana Promotion Partnership.

REP. DICKENSON presented a resolution urging the Legislature to support the Shared Leadership Project.

REP. ANDERSEN called for a motion pertaining to the proposed Joint Resolution. SEN. SHEA moved that the Resolution go forward through the drafting process by request of the committee; it was seconded by SEN. RYAN, and approved unanimously with REP. FACEY voting by proxy.

REP. DICKENSON reported that there were two other items under the Subcommittee report. PEPB and the Board of Regents renewed the 2002 Agreement that lists specific accountability measures for the University System (see *EXHIBIT 14*). The PEPB also reviewed the report of the UM Athletic Department's budget deficit (see *EXHIBIT 15*).

VII. REPORT FROM K-12 PUBLIC SCHOOL RENEWAL COMMISSION

Karl Ohs, Lt. Governor, presented the K-12 Public School Renewal Commission's Findings and Recommendations through a PowerPoint presentation (see *EXHIBIT 16*).

Dr. Kirk Miller, Board of Public Education, went through the PowerPoint presentation and made some corrections to some of the items with regard to full consensus and partial consensus. Items 1, 2a, 2b, 3, 4a, 4b, 5, 6, 7, 8, 9, 11 and 13 have full consensus; items 10 and 12 have majority consensus. Dr. Miller would like to see items 8 and 9 be considered as Committee bills.

SEN. SHEA had concerns about the necessary time needed in order to put together any kind of bill draft for those items that the School Renewal Commission requested. Would it be possible for this committee to meet another time? **Ms. Erickson** explained that by Legislative Council rule, committee work is to conclude on September 15, and the committee would not be able to meet another time. As to this Committee possibly doing a bill draft for some of the items, that may be possible on ones that have specific recommendations for changes.

REP. LEHMAN didn't think that any of the Renewal Commission's Findings and Recommendations could become a committee bill but thought that maybe there might be some individual legislator who would carry those bills if Ms. McClure and Ms. Erickson could draft the bills.

SEN. RYAN commented that the School Renewal Commission's Findings and Recommendations that are before you today is the result of hard work by 28 individuals who are from different entities in the State of Montana and who came to a consensus on those items described in the report. The main issue is that they agreed on the concept that all children, no matter where they live, should have equal access to education. If you agree with equalization, you can work on details of where funding for education is going to come from. SEN. RYAN would like this Committee to take a look at those recommendations and decide that they could have a bill drafted to fit one of the concepts in the report knowing that they have consensus from the K-12 schools and from those 28 people who worked on the School Renewal

Commission.

SEN. MANGAN believes that this committee could direct the Legislative Services staff to draft bills on behalf of Lt. Governor Ohs or the Commission, but it would still be up to the Commission to find sponsors. **Ms. Erickson** said that the Commission is administratively attached to the Governor's Office, the Committee does not have jurisdiction over the Governor's Office, and it is not clear whether the Committee could draft bills without a request from someone.

REP. ANDERSEN wanted to know if Dr. Miller and his committee was going to meet one more time. **Dr. Miller** said that they plan to produce the report and then get it out to everyone, but physically they did not have the funds to meet again.

SEN. SHEA recommended that there be no Committee bill. REP. JACKSON seconded that recommendation.

SEN. RYAN said that he would not vote for this motion if anybody considers this as a rejection of what this Commission has done. The Committee has to go on record as saying we support the work that this Commission has done but because of time constraints, we cannot put forward bills as committee bills. REP. LEHMAN agreed with SEN. RYAN and wondered if what SEN. RYAN said could be an amendment to SEN. SHEA's motion. SEN. SHEA agreed to that.

SEN. LAIBLE wanted clarification on what the motion was and what it stated.

Ms. Erickson read that "the Education and Local Government Committee accepts the report of the K-12 Public School Renewal Commission and thanks them for their work and supports their Findings and Recommendations, but due to time constraints and the inability to synthesize the vast amount of information, the Committee will not request a committee bill but will encourage individual legislators to submit bill draft requests." SEN. SHEA moved and REP. BALLATYNE seconded, and the motion carried unanimously.

VIII. CONTINUATION OF REVIEW OF AGENCY LEGISLATION

Madalyn Quinlan, Chief of Staff, Office of Public Instruction, presented OPI Proposed Bill Drafts (see *EXHIBIT 17*) for consideration.

SEN. LAIBLE requested that the Office of Public Instruction find someone to sponsor the bills that are proposed for legislation. REP. ANDERSEN entertained a motion of having OPI bills started in the drafting process. With a 14-1 vote, it was approved that OPI bills be started in the drafting process and OPI find sponsors to carry the bills.

Connie Erickson, Research Analyst, Education and Local Government Subcommittee, reported that this Committee is required to produce a final report. She will need a vote of approval on the final report with the caveat that she will finish it.

It was moved and seconded and carried unanimously that the final report would be left in Ms. Erickson's hands.

SEN. RYAN noted that two Committee members, SEN. SHEA and REP. LEHMAN, would not be returning to the Legislature in 2005 because of term limits and redistricting. He asked the Committee to go on the record thanking them for their service and for their support of education in Montana. The Committee concurred.

ADJOURN

REP. ANDERSEN adjourned the Subcommittee at 5:00 p.m. This was the final meeting of the Education and Local Government Subcommittee.

CI0429 5133fhxa.