MINUTES

MONTANA HOUSE OF REPRESENTATIVES
59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By MADAM CHAIR EVE FRANKLIN, on February 10, 2005 at 8:25 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:
Rep. Eve Franklin, Chairman (D)
Sen. Don Ryan, Vice Chairman (D)
Sen. John Esp (R)
Rep. Bill E. Glaser (R)
Rep. Verdell Jackson (R)
Rep. Carol C. Juneau (D)
Sen. Carol Williams (D)

Members Excused: None.

Members Absent: None.

Staff Present: Mark Bruno, OBPP
Amy Carlson, OBPP
Alan Peura, Legislative Branch
Jim Standaert, Legislative Branch
Diana Williams, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed. Tape counter notations refer to the material immediately preceding.

Committee Business Summary:

Executive Action: MUS(09)
MUS: Misc. Program Transfers;
DP 78, DP 200; Language Clean Up
Subcommittee New Motions;
MUS-Indian Education For All
OPI: DP 60, 78, 79; Line items;
DP 77 - Indian Education For All
Working Group Proposal
Opening statements: CHAIR FRANKLIN said the University's "Speciality Subdivisions" will be first. The Indian Education For All Montanans (IEAM)'s suggested budget will be last, including portions of the university system and Office of Public Instruction (OPI).

Excerpts from the Legislative Budget Analysis 2007 that deal with the Public Service/Research Agencies are the following:

- Agricultural Experiment Station (AES)
- Extension Service (ES)
- Forestry & Conservation Experiment Station (FCES)
- Bureau of Mines and Geology (Bureau)
- Fire Service Training School (FSTS)

Exhibit (jeh33a01)
Exhibit (jeh33a02)
Exhibit (jeh33a03)
Exhibit (jeh33a04)
Exhibit (jeh33a05)

In addition there are Miscellaneous Program Transfers. DP 98 is addressed in the Legislative Budget Analysis 2007 as part of sub-program 24. The other programs can be found in Exhibit 7 under bullet Number 1 - Miscellaneous Program Transfers.

Exhibit (jeh33a06)
Exhibit (jeh33a07)

Mr. Peura, Legislative Services Division, (LDS), referring to Exhibit 7, No. 1, the base year budgets will be addressed. The miscellaneous program rolls all five programs into one. Statewide present law adjustments, No. 2, are separated out in No. 3.

Mr. Peura said with DP 66, all five agencies have decision packages(DPs) and relate to how the agencies are reimbursed for overhead costs. Again, DPs may be treated globally or separately.

On No. 4, Mr. Peura mentioned that DP 78 - Equipment/Program Development Funding for two-year degree programs needed more input. The back of Exhibit 7 included new motions that were requested by Subcommittee members and not in the Schweitzer Budget. Most of these DPs link to the Shared Leadership project.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 4.9}

SEN. RYAN took over as Chairman of the meeting.
Motion/Vote: SEN. ESP moved that PROGRAM (09), THE BASE BUDGET FOR ALL FIVE AGENCIES BE ADOPTED. Motion carried unanimously. REP. FRANKLIN voted by proxy.

{Tape: 1; Side: A; Approx. Time Counter: 4.9 - 7}

Motion/Vote: SEN. ESP moved THE FAMILY PRACTICE RESIDENCY, THE BIOBASED INSTITUTE, THE DENTAL HYGIENE PROGRAM AND THE MOTORCYCLE TRAINING SCHOOL BASE BUDGETS AS INDIVIDUAL LINE-ITEMS. Motion carried unanimously by voice vote. REP. FRANKLIN voted by proxy.

{Tape: 1; Side: A; Approx. Time Counter: 7 - 9.3}

Motion/Vote: REP. GLASER moved that THE MUS MARKETING INITIATIVE BE ADOPTED. Motion carried unanimously by voice vote. REP. FRANKLIN voted by proxy.

DP 46, DP 61, DP 62, DP 63, DP 64, DP 66, DP 82

Referring to No. 3 in Exhibit 7, Mr. Peura explained all the DPs listed are General Fund (GF) monies except DP 98. DPs with the General Fund could be moved globally or separately.

Replying to REP. JACKSON's question about FSTS, Mr. Peura said the rent increase at the new facility could be handled by increasing the present law adjustments or a new proposal. In the executive budget, this DP is a present law adjustment (PLA).

Motion: REP. JACKSON moved DP 62, DP 61, DP 82, DP 63, DP 46, DP 64 BE ADOPTED.

Discussion:

Responding to SEN. ESP's question, REP. JACKSON agreed to amend the motion to include DP 66.

Motion (Amendment)/Vote: REP. JACKSON moved that DP 66 BE INCLUDED IN ORIGINAL MOTION TO BE ADOPTED. Motion carried unanimously by voice vote. REP. FRANKLIN voted by proxy.

{Tape: 1; Side: A; Approx. Time Counter: 9.3 - 14}
DP 68 - New Space for FSTS

Mr. Peura explained that last session, the legislature provided one-time-only (OTO) funding for the move to the new space. The amount of $49,240 in General Fund monies are needed to cover increased rent.

Motion:  SEN. WILLIAMS moved that DP 68 BE ADOPTED.

Discussion:

Responding to REP. JUNEAU's question, Mr. Peura said DP 98 is linked with special revenue funds.

Pam Joehler, Director of Accounting and Budgeting, (OCHE), responded to REP. GLASER's question by saying that all of the Public Service/Research Agencies are line-itemed in HB 2.

Mark Bruno, Governor's Office of Budget and Program Planning (OBPP), clarified that DP 68 is a separate line item, with a $24,256 increase each year for rent at the new facility.

Vote:  Motion carried unanimously by voice vote. REP. FRANKLIN voted by proxy.

{Tape: 1; Side: A; Approx. Time Counter: 14 - 17.6}

[CHAIR FRANKLIN entered the room.]

DP 98 - Motorcycle Safety Training Adjustment

Motion:  SEN. ESP moved that DP 98 BE ADOPTED.

Discussion:

Mr. Peura said that DP 98 funding comes from the attendance fees and is essentially self sustaining. State special revenue funds do exist, although an increase is needed because of high demand.

Vote:  Motion carried unanimously by voice vote.

{Tape: 1; Side: A; Approx. Time Counter: 17.6 - 19.2}
Language Issues-HB 2

Mr. Peura said that the narrative for the proposed language adoption appears on Page E-149 of the Legislative Budget Analysis 2007. The boxed area reflects the proposed language. 

EXHIBIT(jeh33a08)

Mr. Peura recommended that the Subcommittee consider adopting the language with the updated figures.

EXHIBIT(jeh33a09)

Mark Bruno would like to see this language stay in HB 2 at least through this session and CHAIR FRANKLIN agreed.

Motion/Vote: SEN. ESP moved that LANGUAGE WITH THE UPDATED REVENUE PROJECTIONS BE ADOPTED. Motion carried unanimously by voice vote.

EXHIBIT(jeh33a10)

{Tape: 1; Side: A; Approx. Time Counter: 19.2 - 22.1}

DP 78—Equipment/Program Development 
Funding for Two-Year Degree Programs

CHAIR FRANKLIN stated originally this DP did not include the community colleges in the competitive granting process. She asked if any Subcommittee member would make a motion to reconsider their actions on DP 78.

Motion/Vote: SEN. ESP moved to RECONSIDER ACTION ON THE LANGUAGE TO DP 78 FOR PURPOSES OF CLEANING UP THE LANGUAGE TO ADD COMMUNITY COLLEGES. Motion carried unanimously by voice vote.

{Tape: 1; Side: A; Approx. Time Counter: 22.1 - 24.3}

CHAIR FRANKLIN added that Mr. Peura has provided a version of DP 78 language to consider. The text is in red.

EXHIBIT(jeh33a11)

Motion: SEN. ESP moved THE RED LANGUAGE IN DP 78 BE ADOPTED.

Discussion:

MADAM CHAIR FRANKLIN was of the opinion that the “red version” had general consensus between the parties involved.
SEN. ESP hoped the program development activities developed with this appropriation will be in keeping with the spirit of OTO monies. He did not want people to think that this allocation for program development will be an ongoing appropriation.

**Vote:** Motion carried unanimously by voice vote.

**DP-78 Funding Match Language**

CHAIR FRANKLIN informed the Subcommittee that with DP 78 language there is incentive to provide a funding match associated with this DP. The document has a shaded area that provides the original match language in both Governor's budgets.  

*EXHIBIT*(jeh33a12)

Since the public was not supplied the document, CHAIR FRANKLIN read the proposed language. By asking for matching funds, it elevates the priority of the grants and would give scoring priority to grants that include matching funds. The proposed language states what types of monies can be used for matching funds and is there to leverage the State’s monies.

*Tape: 1; Side: A; Approx. Time Counter: 24.3 - 29.9*

SEN. ESP thought that the match language should be kept in. Both Governors supported the original DP.

REP. JUNEAU wanted to know if clarification was needed as to how much of the $5 million would require the matching funds language.

Mr. Peura said that this language was written before the explanatory language (Exhibit 11). He thought the funding match language should be stated very clearly. The options would be to have all of the $5 million having a match component or just the $3.6 million equipment grants needing a match.

REP. JUNEAU said that she would like just the $3.6 million for equipment grants needing the match component and REP. JACKSON agreed. CHAIR FRANKLIN asked the Subcommittee to accept that some of the funds would need a match and some of the funds would not.

**Motion/Vote:** SEN. ESP moved that DP 78 FUNDING MATCH LANGUAGE WITH THE ADDITION THAT STAFF WOULD CLARIFY THAT IT WAS THE $3.6 MILLION THAT NEEDED THE MATCH BE ADOPTED. Motion carried unanimously by voice vote.  

*EXHIBIT*(jeh33a13)
Subcommittee New Motions

The proposed new motions are a combination of the Shared Leadership for a Stronger Montana Economy initiatives that were in the Martz Budget but not in the Schweitzer Budget.

**EXHIBIT** (jeh33a14)

DP 68 - Assist. Small Oil & Gas Operator

DP 69 - Coal/Coal-be Methane Program

Motion: REP. JACKSON moved that DP 68 BE ADOPTED.

Discussion:

CHAIR FRANKLIN said DP 68 would cost $146,000 over the biennium.

SEN. ESP asked REP. JACKSON why this position was important to fund. REP. JACKSON replied he was not aware of anybody doing this type of research besides the Bureau of Mines and the research was important. The state can move forward in developing their own resources. By funding this position, the job would be done right.

CHAIR FRANKLIN would support DP 69 but not DP 68. She believes the coal-bed methane program is critical and needs funding.

Mark Bruno wanted the Subcommittee to know that right now the Subcommittee is just $300,000 below the Governor’s Budget. He said this to caution the Subcommittee. Mark Bruno said, “I feel like I need to say it [money is running low] at least one time.”

Vote: Motion failed 2-5 by voice vote with REP. GLASER and REP. JACKSON voting aye.

Motion: REP. JACKSON moved that DP 69 BE ADOPTED.

Discussion:

Mr. Peura directed the Subcommittee to Page E-143, [which is part of Exhibit 4]. This position would add about $147,000 in General Fund for the biennium for one FTE Coal Geologist position. The position would be responsible for data base and information flow,
as well as other technical assistance to support coal and coal bed methane development efforts. There would be a match of $36,720 from other funding sources.

REP. JUNEAU wondered if this position could get funded by using an alternative source such as monies from the Coal Board.

Mr. Bruno believed that Coal Board monies went to infrastructure.

Marvin Miller, Assistant Director of Contracts and Grants, Montana Bureau of Mines and Geology, responded that the Coal Board funds are restricted to impacted counties and also infrastructure.

Responding to CHAIR FRANKLIN's question, Mr. Miller said that one person in Billings is working in the hydro-geology area and the coal geologist will soon be retiring. The Federal funding for the coal geologist position is gone. He would really like to keep a coal geologist at the Bureau of Mines and Geology.

CHAIR FRANKLIN asked if the Federal money was allocated on behalf of the employee’s grants. Mr. Miller replied that soft money projects over the years provided the funding.

CHAIR FRANKLIN informed the Subcommittee that with these types of positions, people often bring their own grant funding. With this proposal, the Bureau is moving away from that model; they are proposing to fund an FTE with General Fund money. She wanted to know if the Bureau will be trying to recruit someone who is actually bringing their own funding stream with them.

Mr. Miller replied that the Bureau would like to continue with what has been done in the past. With this position, there is a $32,000 match requirement. The Bureau is depending on the person to bring in some money and once hired, provide additional money.

CHAIR FRANKLIN wanted to know if the coal geologist’s salary was fully funded through the grants that the person was doing.

Mr. Miller said originally that was true but not presently.

REP. JUNEAU asked if this coal geologist would also be available to people who are concerned about water quality and water protection in coal bed methane development.

Vote: Motion carried unanimously by voice vote.
NP 3 - Water-level Recorders

SEN. RYAN said that with the drought and Eastern Montana's coal-bed methane, this OTO expenditure would be put to good use.

SEN. RYAN believed the water level should be tracked as well as possible, and updating the recorders would help in this process.

Motion: SEN. RYAN moved that NP 3 BE ADOPTED.

Discussion:

REP. JACKSON thought that just replacing the water-level recorders is going to be a challenge. Travel and field activity will be necessary to accomplish the replacement. REP. JACKSON asked if SEN. RYAN would consider including NP 2 in the motion.

CHAIR FRANKLIN asked that these proposals stay segregated.

Mr. Peura explained the NP is a $252,000 surplus from an accounting error in FY 2000. There must be a reversion process at the end of the year, then the money may be appropriated. It is staff recommendation and statutory requirement that the funding be OTO because all the revenue from the Resource Indemnity Trust Fund [where the money started] is allocated via statue.

Through Subcommittee discussion between Mr. Peura and Mr. Bruno, it became known that the money is starting in the RIGWA account which is State Special Revenue monies. The money is going to revert. What is actually being appropriated is expandable trust fund money out of what is otherwise an unexpendable trust.

REP. JACKSON wanted to know if this surplus would be used to fund NP 1 - Proposed Pay Plan Adjustment.

Mr. Peura said the Bureau has asked if the agency could use some of that surplus for a OTO adjustment to the pay plan. The Subcommittee has options as to how the OTO money would be used.

Since none of the other agencies' proposed pay plan adjustments were adopted, CHAIR FRANKLIN asked for consistency.
Vote:  Motion carried unanimously by voice vote.

**DP 16 – Livestock Specialist**

Motion:  SEN. ESP moved that DP 16 – THE LIVESTOCK SPECIALIST IN MILES CITY BE ADOPTED.

Discussion:

SEN. ESP thought it was an important position to fund and said that the Governor’s Office probably understands the importance of funding the livestock specialist.

Vote:  Motion carried 6-1 by voice vote with REP. JUNEAU voting no.

**NP 1030 – New Extension Agent for Meagher County**

EXHIBIT (jeh33a15)

Motion/Vote:  REP. JACKSON moved to ADD FUNDING FOR 1.00 FTE TO THE MUS-EXTENSION SERVICE BE ADOPTED. Motion carried 4-3 by voice vote with REP. JUNEAU, SEN. RYAN, and SEN. WILLIAMS voting no.

{Tape: 1; Side: B; Approx. Time Counter: 18.3 – 23.9}

**DP 66 – FSTS Add One Trainer**  
(Which became DP 99)  
General Fund

Motion:  SEN. RYAN moved that DP 66 – FSTS ADD ONE TRAINER BE ADOPTED. [Through discussion, DP 66 became DP 99].

Discussion:

REP. JACKSON said he supports DP 66 and left his proxy with REP. GLASER.

SEN. RYAN told the Subcommittee that with the information which was provided at the hearing, it was proven that funding this position would benefit the state.

REP. GLASER said that the intent of this position is to put one-half person in southeastern Montana and the other one-half in...
northeastern Montana. This would allow the FSTS to have a full person in each of those areas. **REP. GLASER** said that there is matching effort in one of these areas and in the other area there is available space. He is willing to support this motion.

**REP. JUNEAU** commented that firefighting is one of the major sources of summer income for many people in Montana, particularly on the reservations, so she will vote yes.

Mr. Peura requested that DP 66 become DP 99 to avoid confusion.

**CHAIR FRANKLIN** said that she would entertain the DP 66 motion that is on the table, with the understanding that it is actually DP 99.

{Tape: 1; Side: B; Approx. Time Counter: 23.9 - 27.9}

**Vote:** Motion carried unanimously by voice vote. **REP. JACKSON** voted by proxy.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 0.2}

**NP 88 - Wildland/Urban Interface Forest Management Project**

**SEN. WILLIAMS** directed the Subcommittee to the Forest and Conservation Experiment Station’s new proposal, Exhibit 14. He thought that the concern about “wildland-urban interface” and fire prevention is becoming more prevalent in Montana. Studies need to be done on how residents and public entities can do a better job managing their property.

**Motion:** **SEN. WILLIAMS** moved that NP 88 - WILDLAND/URBAN INTERFACE FOREST MANAGEMENT PROJECT BE ADOPTED.

**Discussion:**

**REP. GLASER** said he is aware that a year ago, there was a huge number of Federal dollars available if the State could just match the local requirements; there was about $2.5 million available.

Amy Carlson, OBPP, reminded the Subcommittee that the budget has to balance.

**SEN. ESP** said that in the end, the budget does have to balance. He thought that there is more need for weed control and biotech control then there is for wildland/urban interface projects. He
said that he would not support this motion. He urged the Subcommittee not to support this motion.

**Vote:** Motion carried 5-2 by voice vote, with SEN. ESP and SEN. RYAN voting no. REP. JACKSON voted aye by proxy.

(Tape: 2; Side: A; Approx. Time Counter: 0.2 - 4.1)

**Motion:** SEN. ESP moved that ONE-HALF OF DP 67 (1.50 FTE) BE ADOPTED.

**Discussion:**

CHAIR FRANKLIN wanted to know if SEN. ESP wanted to maintain the $160,000 matching funds at the same level or limit it accordingly to the reduction of 1.50 FTE.

SEN. ESP replied he was not sure how the matching program worked. He thought it looked like about one-half of the biennium funding request for this position is in the match.

Dr. Jeffrey Jacobsen, Director, Agriculture Experiment Station, added that these programs had moved through the Board of Regents. This particular shared leadership initiative was two-thirds General Fund with a one-third partnership or match requirement.

Responding to a question from CHAIR FRANKLIN, Dr. Jacobsen said that if there is a proportional decrease in the original DP, he would suggest the same occur with the match.

**Motion:** SEN. ESP moved that THE SHARE MATCH FOR DP 67 BE ADJUSTED PROPORTIONATELY TO THE 1.50 FTE FIGURES BE ADOPTED.

**Discussion:**

SEN. ESP said that weeds are one of the biggest environmental problems that the State is facing. The State has put millions of dollars in both time and effort to try and control the weeds. He thought it well worth the effort to provide funds for researching more environmentally friendly ways of weed management.

SEN. RYAN reiterated what SEN. ESP had said earlier, that all of these programs are quality programs. SEN. RYAN stated that this Subcommittee needs to be able to defend every dollar over budget.
so that the Subcommittee does not lose its control. He said he is going to resist adopting this DP and any future ones unless the Subcommittee is willing to prioritize.

SEN. ESP agreed there was a need to prioritize. This position was a priority and should be a priority of the State and Subcommittee.

Vote: Motion carried 6-1 by voice vote with SEN. RYAN voting no. REP. JACKSON voting aye by proxy.

{Tape: 2; Side: A; Approx. Time Counter: 4.1 - 8.8}

Other Subcommittee Actions

CHAIR FRANKLIN wanted to know if there were additional language issues that this Subcommittee needed to address, and Mr. Peura replied there are a couple of language items.

DP 8 - Extension Cropping Specialist

Motion: REP. GLASER moved that DP 8 BE ADOPTED.

Discussion:

REP. GLASER said that the agency demonstrated the need for this position. The Subcommittee should be able to understand what kind of priority this position is to its members. REP. GLASER said that he knew this position was important to REP. JACKSON and wanted other people to comment.

Dr. Douglas Steele, Vice Provost & Director, MSU Extension Service, said that currently there are zero extension FTE that are totally dedicated to cropping systems and agronomy. He informed the Subcommittee the 2003 session is when the Extension Service was asked to give back about $300,000. Responding to CHAIR FRANKLIN, Dr. Steele thought it was the Special Session of 2003. He said that the last extension agronomist was seven, eight, or nine years ago. He commented that with the livestock specialist and the crop specialist, if the positions are funded, there are in-kind services available.

{Tape: 2; Side: A; Approx. Time Counter: 8.8 - 11.7}
Responding to CHAIR FRANKLIN, Mr. Sundsted thought the rollback occurred during the Special Session in 2003. CHAIR FRANKLIN restated that since 2001, there has not been a crop specialist.

SEN. ESP said through research, various drought resistant crops have helped all state producers, and this was important to fund.

CHAIR FRANKLIN remembered from public testimony that the extension service provides unbiased information. She felt unbiased information is valuable since farmers' and ranchers' produce becomes part of the food chain. The Subcommittee has appropriated just over $700,000 from the proposed executive’s budget and some work may have to be done in other places.

Vote: Motion carried 4-3 by voice vote with SEN. RYAN, SEN. WILLIAMS and REP. JUNEAU voting no. REP. JACKSON voted aye by proxy.

{Tape: 2; Side: A; Approx. Time Counter: 11.7 - 15.5}

NP 88 – Wildland/Urban Interface Forest Management Project
$200,000 Biennium Funding Request

Motion: SEN. ESP moved TO DECREASE THE GENERAL FUND AMOUNT IN NP 88 TO $200,000 AND KEEP THE MATCHING FUNDS AT $200,000.

Discussion:

SEN. ESP suggested to keep the matching funds of $200,000 as part of this motion. He thought that this agency could do a credible job with the program with a little less General Fund money.

Through questions by CHAIR FRANKLIN and SEN. RYAN, Perry Brown, Director, Montana Forestry & Conservation Experiment Station, said that the agency can work with any additional money that this Subcommittee is willing to provide. The agency may not be able to move quite as fast if only $200,000 is appropriated but some valuable work on the State lands can occur.

CHAIR FRANKLIN wanted to know, since this would be a one-to-one match, could this agency raise that much money. Director Brown stated it would be more difficult and suggested making the matched funds be proportionally decreased similar to the previous motion, DP 67. CHAIR FRANKLIN agreed that would make sense.
SEN. ESP thought that sticking with the original motion of dropping $150,000 from General Fund, with $200,000 match, could possibly allow for a higher priority from the feds since it is a one-to-one match.

CHAIR FRANKLIN felt the agency may be able to find the money and this Subcommittee could give them more spending authority. Her concern was this Subcommittee would not put the agency in a position where they could not raise the money.

SEN. WILLIAMS asked SEN. ESP to clear up why he does not want to change the match language as in the previous motion, DP 67.

SEN. ESP said that upon further reflection, he would have rather kept the match fund figure that was stated originally in DP 67 than the motion he moved.

CHAIR FRANKLIN asked if an agency is able to raise more matching funds, is language needed to give the agency spending authority to expend the funds.

Mr. Peura said the language is not needed, and the agency could spend from the funds what the legislature does not appropriate. He stated that if the agency did need the State’s approval for spending, the agency could go to the Governor’s Office and ask for a budget change document and get approval to spend new funding from the Feds or other sources that are non-state.

**Substitute Motion:** SEN. ESP made a substitute motion that FOR NP 88, THE GENERAL FUND WILL BE REDUCED BY $150,000 AND THE PROPORTIONALLY REDUCTION IN THE MATCHING REQUIREMENT BE ADOPTED.

{Tape: 2; Side: A; Approx. Time Counter: 15.5 - 22.3}

Vote: Motion carried 5-2 by voice vote with SEN. RYAN and SEN. WILLIAMS voting no. REP. JACKSON voted aye by proxy.

{Tape: 2; Side: A; Approx. Time Counter: 22.3 - 23.7}

**DP 1050**

Workforce Development- Perkins Incentive Grant
Add $225,000 (biennium) Federal Special Revenue

Mr. Peura told the Subcommittee that he received an e-mail from the Commissioner’s office. OCHE has received an additional grant. They could have gone to the Governor’s Office for a
budget change document but since the legislature was in session, the agency is asking that this Subcommittee give them $225,000 of Federal spending authority for a Perkins grant.

EXHIBIT (jeh33a16)

Mr. Peura suggested that OCHE explain in greater detail what this Federal authority would allow the Commissioner’s office to do.

Dr. Arlene Parisot, Director for Workforce Development, OCHE, replied this is the second incentive grant and a three-way partnership with Adult Education, Montana Job Creating Partnership and Perkins. She said that OCHE’s part is to promote clear pathway programs in two-year institutions, to provide some health-care scholarships which the agency is currently providing, and to continue funding a career assessment system.

Dr. Parisot stated within the Memorandum of Understanding (MOU) that OCHE has with the Dept of Labor, OCHE has the flexibility to make adjustments to the type of initiatives in which the funds can be used for.

Motion/Vote: REP. JUNEAU moved that DP 1050 BE ADOPTED. Motion carried unanimously by voice vote. REP. JACKSON voted aye by proxy.

{Tape: 2; Side: A; Approx. Time Counter: 23.7 - 28.1}

(The Subcommittee recessed for ten minutes).

[REP. JACKSON returned to the meeting while SEN. ESP did not].

Contingency Language
DP 200 Tied to SB 284

This item can be found towards the bottom on the front of Exhibit 7. The text is in blue.

Mr. Peura informed the Subcommittee that when DP 200 was adopted on February 3rd, the contingency language was adopted with SB 48. The actual bill is SB 284. He apologized for this error. His recommendation would be that the Subcommittee reconsider the motion that was made on DP 200, and move to discuss it in terms of the correct contingency number being SB 284.

{Tape: 2; Side: A; Approx. Time Counter: 28.1 - 30.1}
Motion/Vote: SEN. RYAN moved TO AMEND DP 200 CONTINGENCY LANGUAGE TO REFLECT SB 284. Motion carried unanimously by voice vote. SEN. ESP voted by proxy.

**Shared Leadership Matching Fund Language**

DP 8, DP 16, DP 67, DP 69, NP 88 and DP 99 (Was DP 66)

The proposed matching funding appropriation language is Exhibit 17. The asterisks denotes the DPs/language proposals addressed at the meeting. Exhibit 18 represents what the Subcommittee adopted.

EXHIBIT(jeh33a17)
EXHIBIT(jeh33a18)

Mr. Peura said with these shared leadership initiatives, the Governor recommended that any time there was a motion, match language should also be approved. By applying match fund language, it would allow more accountability. It is the Subcommittee's prerogative to include that accountability measure in HB 2. He directed the Subcommittee to the original match proposal language in terms of the Governor's recommendation.

Mr. Peura suggested that the words 'nonstate funds' be inserted into the proposed language. This would allow the agencies and MUS, not to be able to use the State lump sum monies for the matching funds. By doing this, it would be consistent with what the Subcommittee chose to do with DP 78.

Asked to comment by CHAIR FRANKLIN, Ms. Carlson said she wanted to make sure they knew that these initiatives were under the Martz Budget and not the Schweitzer Budget.

For clarification purposes, Mr. Peura said that DP 67, DP 8, DP 16, DP 69, NP 88, and DP 99 are the DPs that would require a motion to approve match language that is specific to each DP.

Dave Gibson, Associate Commissioner for Economic Development, OCHE, wanted clarification on the match language.

Mr. Peura said that with the motions, Martz's recommended language would be used in amending them in two areas. One area would add the words 'non-state funding' and the other would change the figures of the matching funds to reflect what the Subcommittee already approved with the various DPs.
By discussion between Mr. Gibson and Mr. Peura, it was decided that the distance learning DP did not have fund match language and it was not a requirement.

There was a brief discussion between Mr. Gibson, CHAIR FRANKLIN and Mr. Peura on where the Subcommittee stood on match funding language. CHAIR FRANKLIN reiterated the Subcommittee needs to find as many matching funds as possible for these DPs.

{Tape: 2; Side: B; Approx. Time Counter: 0 – 6.7}

Through discussion between REP. GLASER, REP. JUNEAU and Mr. Peura, the Subcommittee needed to make a motion for all of the DPs that will be requiring a match, to approve the language with the amendments of "non-state" and the amended amounts.

(SEN. ESP returned to the meeting).

Motion/Vote: REP. GLASER moved to APPROVE THE RECOMMENDED LANGUAGE THAT DEALT WITH MATCHING FUNDS FOR THE VARIOUS DECISION PACKAGES, WITH THE AMENDMENTS OF ADDING THE WORD ‘NONSTATE’ AND INCORPORATE THE AMENDED AMOUNTS BE ADOPTED. Motion carried unanimously.

{Tape: 2; Side: B; Approx. Time Counter: 6.7 – 7.6}

Bureau of Mines – Revisited

NP 2 – Travel and Field Activity
State Special Revenue – OTO

Asked to revisit NP 2 by CHAIR FRANKLIN, REP. JACKSON said that the Resource Indemnity Fund is directly connected to the state’s natural resources and that is where the money for NP 2 would be coming from.

Motion: REP. JACKSON moved that NP 2 BE ADOPTED.

Discussion:

CHAIR FRANKLIN said that she will support this motion because it is state special. She said that if adopted, this money will go against the funding cap.

Vote: Motion carried unanimously by voice vote.
CHAIR FRANKLIN said with the passage of this motion, the Bureau of Mines will have OTO $32,898 of state special revenue to be used for travel and field activities. The agency can actually go out to the field and update the water-level recorders the Subcommittee approved and complete other necessary things.

{Tape: 2; Side: B; Approx. Time Counter: 7.6 - 9.1}

**NP 1 - Proposed Pay Plan Adjustment**

**State Special Revenue - OTO**

**Motion:** SEN. ESP moved that NP 1 BE ADOPTED.

**Discussion:**

SEN. ESP presented this motion so the Subcommittee could consider this package knowing that it is OTO. If the agency does not get legislative approval next time to raise the funding level by statute, the agency is going to have to adjust more drastically.

CHAIR FRANKLIN said that even though it was State Special Revenue, she would not support this motion at this time. She told the Subcommittee that by not adopting this DP, it would be consistent with how the Subcommittee has been approaching the pay plan for the other agencies involved in education.

**Vote:** Motion failed 3-4 by voice vote with SEN. ESP, REP. GLASER, and REP. JACKSON voting aye.

{Tape: 2; Side: B; Approx. Time Counter: 9.1 - 11.4}

**Motion for Proposed HB 2 Language**

REP. JUNEAU said that MUS is aware of this language. The intent of this motion is to try and help Montanans become more economically stable. It will provide a partnership between MUS/OCHE and the Department of Public Health and Human Services. This proposed language is Exhibit 19.

**EXHIBIT** (jeh33a19)

**Motion:** REP. JUNEAU moved that THE PROPOSED HB 2 LANGUAGE BE ADOPTED.
Discussion:

REP. JACKSON asked to change 'economic freedom' to 'economic self sufficiency' and REP. JUNEAU said that was a friendly amendment.

Amendment/Motion: REP. JUNEAU moved that THE WORDS ECONOMIC SELF SUFFICIENCY SHOULD REPLACE THE WORDS ECONOMIC FREEDOM IN THE PROPOSED HB 2 LANGUAGE BE ADOPTED.

Asked to comment by CHAIR FRANKLIN, Dr. Stearns said that if this motion is adopted, OCHE will accept the duties that are outlined in the motion and do its best to fulfill the obligations.

CHAIR FRANKLIN stated she hoped that MUS works in a collaborative manner even without having the motion adopted.

SEN. RYAN suggested that the accountability report could be referenced in this motion, and Commissioner Stearns agreed. Commissioner Stearns added that in addition to the economic initiatives that have been suggested, the board has always wanted MUS to have more collaboration with agencies of State Government. She believed the Board of Regents would actually support and welcome the spirit of this motion. The appropriate place for addressing the strategies and the results of the partnership efforts would be in our accountability report to PEPB and the legislature.

SEN. RYAN said that REP. GLASER suggested to adding the word "in" after the word "submit" to the last line in this motion. Providing this word it would allow OCHE the flexibility to place the findings in any report. REP. JUNEAU liked REP. GLASER's suggestion and was willing to amend the motion accordingly.

Amendment/Motion: REP. JUNEAU moved that THE PROPOSED HB 2 LANGUAGE BE ADOPTED WITH THE FOLLOWING EDITS: THE WORDS ‘ECONOMIC SELF SUFFICIENCY’ SHOULD REPLACE THE WORDS ‘ECONOMIC FREEDOM’ AND THE WORD ‘IN’ IS PLACED AFTER THE WORD ‘SUBMIT’ BE ADOPTED.

Vote: Motion carried unanimously by voice vote.

{Tape: 2; Side: B; Approx. Time Counter: 11.4 - 17.6}

SEN. ESP said he would have felt better reviewing this language with the Human Services Committee. With Temporary Assistance for
Need Families (TANF), he did not want to encourage expanding a new program that may contribute to future problems for TANF.

REP. JUNEAU said the intent of this motion is not to take resources out of TANF but to have the university system consider what can be done to help TANF families. She believes that the best way to help people in poverty is through education.

{Tape: 2; Side: B; Approx. Time Counter: 17.6 - 19.2}

NP(No Number Assigned)- Indian Education for All Montanans (IEAM)

REP. JUNEAU said this proposed motion is in line with the executive action going on with MUS. The report was done by the working group on February 9th. After this motion, it was her understanding that the K-12 system will be addressed. EXHIBIT(jeh33a20)

REP. JUNEAU believed there is a need for resources within the university system. She thought MUS needs to move forward with what they have done and referenced the teacher education programs in particular. There is a detailed budget on the back of the motion that will outline what University System intends to do with the $250,000 General Fund biennial appropriation.

Motion: REP. JUNEAU moved that NP (No NUMBER ASSIGNED)- INDIAN EDUCATION FOR ALL MONTANANS - $250,000 BE ADOPTED.

Discussion:

Responding to REP. JACKSON's question about the .50 FTE position, Commissioner Stearns referred to the back of the document where $20,000 is allocated because there is already an administrative assistant. This money would raise the position to full-time.

Responding to SEN. ESP's question, Dr. Roger Barber, Deputy Commissioner for Academic & Student Affairs, OCHE, said the working group will be representatives from all campuses: chief academic officers, faculty members, and especially Native American Studies faculty. The Native American Studies faculty would provide great resources and guidance.

Dr. Roger Barber said that this working group would help MUS figure out both the constitutional and statutory language about the meaning of IEAM to MUS.
SEN. ESP expressed a concern with senior management participating because this will mean these people are not doing their jobs as senior managers. He hates to create working groups like that.

CHAIR FRANKLIN said she is going to have to resist this motion. Although a critical part of the process, her focus as Chair was to get the K-12 proposals adopted first and then focus on appropriating money to the university system.

CHAIR FRANKLIN thought the MSU administrators could create a climate where people will be working on the IEAM prior to having the funds available. More awareness to the issues should be brought forward prior to having the funds. Ultimately though, funds will be needed.

SEN. WILLIAMS said that one of the things the members of the Working Group have learned is that MUS has very good intentions. The university brought the materials that they have been doing on their own. Her concern with any program lacking funds is the program is not provided adequate resources and then the program slips through the cracks.

SEN. WILLIAMS said, "While I understand that in the best case scenario, people ought to be doing this on their own. You know for 35 years we should have been doing other things on Indian Education and we haven't. And this is a small amount of budget request. So I hope you will support it."

Vote: Motion failed 3-4 by voice vote with REP. GLASER, REP. JUNEAU, and SEN. WILLIAMS voting aye.

Other Subcommittee Actions

Mr. Peura believed that the executive action for MUS was complete. He said that OPI's executive action would be next. Prior to Mr. Peura's leaving, CHAIR FRANKLIN thanked Mr. Peura for all his work in leading the Subcommittee through this budget.

(The Subcommittee recessed until 10:50 A.M.)
DP 60, DP 77, DP 78, DP 79 and Line-Item DPs

(DP 79 was renumbered DP 80)

REP. GLASER mentioned SEN. ESP will be voting by proxy in
executive action.

CHAIR FRANKLIN stated that the Working Group's budget that dealt
with IEAM, OPI's schedules, and other details relating to OPI's
budget would be addressed.

Mr. Standaert, LFD, went over the two documents that were handed
out. One is the Indian Education for All Montanans proposal and
other is the updated financial summary sheet dated 2/9/05. In
executive action, these DPs can be taken in any order.

EXHIBIT (jeh33a21)
EXHIBIT (jeh33a22)

Mr. Standaert said that on the front of the summary sheet, which
is Program (06)- OPI Administration, there is a new decision
package, DP 77. This is the Working Group's proposal. With DP
60, the Subcommittee delayed action until today. DP 4 is the
original Martz's Indian Education for all proposal.

Mr. Standaert talked about base aid. He said that right now, HB
2 represents all of what Governor Schweitzer proposed for base
aid [DP 61]. Mr. Standaert said that with SB 177, which is three-
year averaging, there is an additional $13.9 million earmarked
for base aid. He suggested placing this $13.9 million in HB 2,
so there would be a placeholder for whatever bill would
eventually make it through the session.

Mr. Standaert said that some of the DPs may want to be line items
in HB 2. The DPs in Program (09) are fairly well delineated, but
in Program (06), which is the agency itself, at a minimum the OTO
funding needs to be line-itemed.

DP 78
$13.94 million base aid in SB 177

Through questions by REP. JUNEAU, Mr. Standaert explained what SB
177 entails. He directed the Subcommittee to DP 61, [which is on
the back of Exhibit 22] and explained that in addition to the
approximate $30.67 million that is in DP 61, there is an
additional $13.94 million for base aid because SB 177 has
incorporated the three-year averaging formula.
Asked by CHAIR FRANKLIN to comment, SEN. RYAN said that the $13.9 million is a figure that could be considered as a placeholder. This bill does include the present law and also the Governor's $250 and $50 ANB (average number belonging) figures.

SEN. RYAN told the Subcommittee that the additional money will help districts which have declining enrollment. These are the districts where their enrollment is weighted too heavily per ANB, and they have had to make cuts in the educational experience. If this money can be placed in HB 2 for education, the money would be accounted for and committed. The Subcommittee would be in a better starting position for whatever other mutations might happen in school funding. Also, if this money was earmarked in HB 2 as an educational component, then other programs could not take the money.

CHAIR FRANKLIN stated that the role of this Subcommittee is to appropriate the money. The Subcommittee has an opportunity to "exercise our vision" and take action on this $13.9 million. She asked if there was a motion on the $13.9 million.

After a question by SEN. RYAN, Mr. Standaert stated he would rather not put the additional $13.9 million in with DP 61. Mr. Standaert suggested that DP 78 be formed.

Through Subcommittee discussion, even though DP 78 was in the MUS program, it would be acceptable to have a DP 78 in OPI's budget.

REP. GLASER wanted to know the ANB averaging cost and Mr. Standaert replied $13.94 million.

Motion: SEN. RYAN moved DP 78, $13.94 MILLION FOR ANB AVERAGING, OVER THE BIENNIALM BE ADOPTED.

CHAIR FRANKLIN added that this DP 78 is in OPI’s K-12 budget.

Through discussion between REP. JUNEAU, Mr. Standaert and CHAIR FRANKLIN, by adopting DP 78, it would not be contingent upon SB 177 passing and would be considered a placeholder. It would be easier if there were no bill numbers attached to this DP. If DP
78 were approved, the concept of three-year averaging would be in HB 2. SB 177 costs approximately $14 million more than what has been approved in this Subcommittee.

After a comment by REP. JUNEAU, Mr. Standaert informed the Subcommittee that the IEAM proposal did not need a bill number attached. SEN. WILLIAMS reiterated that concept.

Mr. Standaert told the Subcommittee that DP 78 does not have to be contingent upon anything. It is a figure and if it ends up making it through the legislative process, there will be an additional $13.94 million for funding education.

REP. JUNEAU stated the Subcommittee will be voting on $21 million more than what was in the Schweitzer Budget; $13.94 million for three-year averaging and the $8 million for IEAM.

Mr. Standaert responded by saying of the $10 million for IEAM, $2 million was requested by Governor Schweitzer and the other $7.5 million is additional money. The $13.94 million, for three-year averaging, is above the original request by Governor Schweitzer but is now consistent with his latest request made last week.

REP. JUNEAU wanted to know if the $13.94 million was included in the announcement that was made last Friday. Mr. Standaert said, "Yes." CHAIR FRANKLIN stated that the figures in SB 177 reflect Governor Schweitzer’s commitment.

REP. JUNEAU asked if $7 million of that $13.94 million could be used for IEAM, and Mr. Standaert replied that would work. CHAIR FRANKLIN said that the money could always be moved.

Responding to REP. GLASER about the total amount of money for the two-year period in SB 177, MS. CARLSON, OBPP, replied that if a person measures from the fiscal note, it was $76 million. If a person measures biennium to biennium, it was $58 million.

Mr. Standaert stated that with the financial summary sheet provided by LFD, the total amount of money in SB 177 would be a little more than the $76 million. He gave the reasons why he could not come up with the exact figure and he will work with the Governor's office to reconcile the financial summary sheet.
REP. GLASER thanked Mr. Standaert and said that the financial summary sheet is close to $76 million.

REP. JUNEAU stated she will vote yes on this motion. She said that coming into this session, putting additional money into the schools' budget is something that she supported. She wanted the Subcommittee to be aware that she also came into this session supporting additional funding for IEAM. The proposed $23 million for IEAM at the start of the session is now just $10 million. She is voting yes realizing that IEAM may have to go to battle with school funding at some point.

Vote: Motion carried unanimously by voice vote. SEN. ESP voted by proxy.

{Tape: 3; Side: A; Approx. Time Counter: 15.3 - 18.5}

DP 60
Indian Education for All: K-12
$2 million in Biennium

It was suggested by REP. GLASER that DP 60 and DP 77 be discussed separately because the Governor had recommended one DP, while the Working Group had suggested the other.

MADAM CHAIR FRANKLIN gave SEN. WILLIAMS the option to first discuss the Working Group's proposal, DP 77.

SEN. WILLIAMS said the Working Group appreciated Schweitzer's administration for providing DP 60, and thought it would pass, so the proposal was never discussed at the working group. At this time, she would like to move DP 60 separately from DP 77.

Motion: SEN. WILLIAMS moved that DP 60 BE ADOPTED.
EXHIBIT(jeh33a23)

Discussion:

CHAIR FRANKLIN explained that the monies in DP 60 will go directly to OPI for essential program planning and other tasks as the agency sees fit in relation to IEAM.

{Tape: 3; Side: A; Approx. Time Counter: 18.5 - 20.2}

REP. GLASER commented that OPI’s proposals for funding IEAM two years ago was a lot less than what is being proposed this
session. He thought this meant that OPI has decided that they need to do quite a bit more in IEAM.

Vote: Motion carried unanimously by voice vote. SEN. ESP voted by proxy.

{Tape: 3; Side: A; Approx. Time Counter: 20.2 - 21}

DP 77 - Working Group
Proposed Budget for IEAM

CHAIR FRANKLIN said that she has been informed that a joint subcommittee cannot have a subcommittee of a subcommittee. This proposal is from the Working Group and not the Sub-subcommittee.

SEN. WILLIAMS thought the members probably knew where their comfort level would be for funding IEAM, but she wanted to go on record. She voted for many of the proposals that came forward through MUS. They were very worthy and laudable programs, but not a single one of them were mandated in the Constitution.

SEN. WILLIAMS supports every penny that goes to K-12 but thought that new money is needed to fund IEAM. She stated it was time that the legislature lived up to their Constitutional requirements. This is an historic time for all, and the Subcommittee has the opportunity to do some good. She asked for their support.

{Tape: 3; Side: A; Approx. Time Counter: 21 - 23.1}

Motion: SEN. WILLIAMS moved that DP 77 BE ADOPTED.

{Tape: 3; Side: A; Approx. Time Counter: 23.1 - 23.7}

Discussion:

REP. JUNEAU provided a set of e-mails written by students in Arlee. It was important for these words to be archived and submitted for the record. When REP. JUNEAU was researching for documents that could be used in the Working Group, she found some students' words that were written 33 years ago on IEAM. All of these documents reflect what was important to these students at that time.  

EXHIBIT(jeh33a24)
REP. JUNEAU shared some words that came from Julie Cajune's e-mail.

**EXHIBIT (jeh33a25)**

CHAIR FRANKLIN explained what she felt the Working Group had concretely provided. The Working Group's task was to provide some "dispassionate" numbers in the budget and create a scaled down version of REP. BIXBY's first proposal of $23 million.

CHAIR FRANKLIN said the tenor of both of these proposals is to move energy from OPI out into the communities. These proposals provide a plan that would allow all people involved with IEAM to grab onto that energy and find solutions in implementation. DP 77 includes curriculum development, professional development, and a series of issues looking at best practices. The Working Group did a great job making this concept of implementation concrete.

CHAIR FRANKLIN identified IEAM as an integral part in the Supreme Court decision; it was not an add on; it was core to the Supreme Court decision. She believed the Subcommittee should make IEAM core to its decisions.

CHAIR FRANKLIN said as Chair, she will have the duty to carry the IEAM proposal forward to the Budget Director and Governor. This proposal was highly defensible in light of the Supreme Court decision, and she is willing to support DP 77 in its entirety.

SEN. RYAN stated that in addition to the $2 million in the Governor's budget, having PIR (People Instruction Related) days on the calendar dedicated to learning about IEAM would ensure that people are getting trained statewide. The programs and materials being developed could get distributed during these conferences.

{Tape: 3; Side: A; Approx. Time Counter: 23.7 - 29.7}

SEN. RYAN said that another idea would be in curriculum development and the five-year plan. All the curriculums should be redesigned to fit IEAM. With the review process and accreditation process that schools go through, addressing how the school districts are meeting the needs of IEAM could be a priority for the Board of Public Education. SEN. RYAN wanted to implement IEAM as effectively as possible and was not sure if DP 77 would be the best answer. He wanted to leave some options open so he was opposed to the motion. While the new funding formula/distribution phase for schools is being developed, he was also committed to finding solutions for funding IEAM.
SEN. WILLIAMS stated, with all due respect, the ideas that were presented by SEN. RYAN have been going on all along. She does not have a problem with tweaking some of these categories that are in DP 77. While the Working Group was not wed to this proposal as the best way to spend the money, they were committed to trying something new. If SEN. RYAN wanted to put the in-service teacher training day in the proposal right now, she would accept that. Tweaking what has been previously done will not get the State where it needs to be in terms of implementing IEAM.

SEN. WILLIAMS thought that this Subcommittee needed to take action not do business as usual; rather, "take the bull by the horns" and head IEAM in the right direction. Adopting this DP with the idea of tweaking it later is a possibility. This Subcommittee needs to step up to the plate and be players; otherwise the "buck" will be passed to everybody else in the Capitol in trying to accomplish the funding issue for IEAM.

SEN. WILLIAMS said that if the Subcommittee did not pass any additional funding for IEAF, she would think that the Subcommittee did not have the courage to stand up and say we need something new in Montana.

REP. GLASER said SEN. ESP provided him a note saying that he would support part of DP 77 and part he would not.

REP. GLASER said that he did not perceive this issue as a legislative failure. School boards, who are Constitutionally mandated to run part of this educational system, have failed in their prioritizing of funding this Constitutional mandated educational program.

REP. GLASER thought supplying more money might not change the atmosphere. If the legislature could define what a basic school system was, provide enough money for the schools to run their programs, and add $2 million in curriculum development and marketing for IEAM, then the school boards might decide that implementing IEAM is a priority.

REP. GLASER agreed with SEN. ESP's recommendations and asked to segregate DP 77.
SEN. WILLIAMS thought that it would work to take a vote on the package as it is and then go back and discuss the separate parts to DP 77. MADAM CHAIR FRANKLIN agreed.

Mr. Standaert suggested that before action is taken, he would like to clarify which items in these DPs are in Program (06) and which items are in Program (09). Numbers 1, 2 and 4 are in Program (09); the others are in Program (06).

EXHIBIT(jeh33a26)

Responding to a question about Number 5 by SEN. WILLIAMS, Mr. Standaert said that the Indian Education Specialist who would administer the grants would be housed in Helena, so it would go under Program (06). It would not be a part of Program (09) where the grants would be distributed.

Public Comment

REP. JUNEAU asked if Joyce Silverthorne could comment. Ms. Silverthorne was not available for public testimony on February 9. Ms. Silverthorne worked on IEAM for a long time and also testified in the court case.

{Tape: 3; Side: B; Approx. Time Counter: 2.9 - 8.8}

Ms. Silverthorne, Tribal Education Director, Confederated Salish & Kootenai Tribes, said she had not prepared anything formal. She felt the items in DP 77 were not separable. Professional development is of the utmost urgency because schools around the State are proceeding without guidance.

Ms. Silverthorne was concerned that some information which is written about Indian people is very detrimental; the information may be historically accurate but is not appropriate for children.

Ms. Silverthorne thought what was needed was some type of system that comes together, makes sense out of what is happening with IEAM, and moves the program forward in a positive way.

Ms. Silverthorne provided professional and personal situations concerning what has been happening where she lives, all of which was not good. Inclusion into the public school system has not happened. She commented that there are still people who believe that the Bureau of Indian Affairs educates Indian people.
Ms. Silverthorne believed that if the items in DP 77 are separated, at the very least, professional development needs to begin immediately. She thanked the Working Group for its work.

{Tape: 3; Side: B; Approx. Time Counter: 8.8 - 11.3}

CHAIR FRANKLIN added she was making one last pitch for DP 77. By providing the money to communities, it will keep OPI engaged at the community level, which in turn will help OPI in its planning process. It would be a synergistic process. If the Subcommittee is struggling with lumping all DPs together, she recommended looking specifically at those items that deal with community involvement to see if any of those items could be moved.

Asked by CHAIR FRANKLIN if she would like to close on her motion, SEN. WILLIAMS stated the critical component to IEAF is funding. Funding will allow this Subcommittee to keep the conversation going forward in this debate on IEAM. She would like to provide money in the budget so at least this issue has the possibility of being fixed at a later date.

SEN. WILLIAMS referenced the report that was supplied by the Working Group to the Subcommittee and quoted the last sentence. It was a quote by Sitting Bull that dealt with children.

EXHIBIT (jeh33a27)

Vote: Motion failed 3-4 by voice vote with REP. FRANKLIN, REP. JUNEAU, and SEN. WILLIAMS voting aye. SEN. ESP voted no by proxy.

CHAIR FRANKLIN said that the motion in its entirety did not pass and asked the Subcommittee if they want to take any more action.

{Tape: 3; Side: B; Approx. Time Counter: 11.3 - 14.5}

SEN. WILLIAMS suggested that the items that SEN. ESP was willing to support be placed in a motion.

EXHIBIT (jeh33a28)

Motion: REP. GLASER moved that 3, 5a, 6 AND 9, ON SEN. ESP’S BEHALF BE ADOPTED.

Discussion:

CHAIR FRANKLIN described each item that is in the motion with REP GLASER agreeing.
Best Practice Conference
- 1 FTE for an Indian Education Specialist
- Additional travel for MT Advisory Council on Indian Education (MACIE)
- OPI administrative indirect costs

If this motion is adopted, the OPI administrative indirect costs will be adjusted slightly downward.

REP. JACKSON agreed with REP. GLASER and SEN. ESP that Number 7 was really important and would like to add that in the motion.

Amendment/Motion: REP. JACKSON moved to AMEND ORIGINAL MOTION TO INCLUDE NUMBER 7 BE ADOPTED.

Discussion:

SEN. RYAN stated that with Number 5, the Indian Education Specialist would administer the grants and with this proposal, there is none. SEN. WILLIAMS replied she was aware of that; there will be another motion.

REP. JUNEAU said that she would vote no on this motion. The motion does a disservice to what the Working Group has proposed.

CHAIR FRANKLIN said that even though this motion does not speak to the integrity of the Working Group’s ideas, she is going for the money. She will support this motion in hopes that the Subcommittee can “inch forward” in finding more money.

Vote: Motion carried 5-2 by voice vote with REP. JUNEAU and SEN. RYAN voting no. SEN. ESP voted aye by proxy.

Components of DP 77

Number 2

Two Year Grants for Professional Development

$3,700,000

REP. JUNEAU said that professional development has been talked about. The teachers need to be prepared and curriculum needs to be developed. If the Subcommittee sees fit, she will move Number 2, two-year grants for professional development for $3,700,000 as
a half-way start. She reminded the Subcommittee of the position she had when the $13.94 million for education was adopted.

**Motion:** REP. JUNEAU moved that NUMBER 2 WHICH IS PART OF DP 77 BE ADOPTED.

**EXHIBIT (jeh33a29)**

**Discussion:**

CHAIR FRANKLIN encouraged the members to adopt some of the funding that is going to the communities. Interaction between OPI and the communities is where the action is going to be. The communities will keep people excited about IEAM.

MADAM CHAIR FRANKLIN said that it makes a lot of sense to start with that money out in the community to keep OPI on track. She stated that Number 2 is grants to local school districts for implementation of best practices.

**Vote:** Motion failed 3-4 by voice vote with REP. FRANKLIN, REP. JUNEAU, and SEN. WILLIAMS voting aye. SEN. ESP voted no by proxy.

{Tape: 3; Side: B; Approx. Time Counter: 20.2 - 23.4}

**Components of DP 77**

**Number 1**

Two Year Grants for Curriculum Development

1,330,000

REP. JUNEAU said that culturally relevant materials need to be developed, so the schools can use them. By adopting this, it would help implement the Constitutional promise of 1972, 33 years ago.

**Motion:** REP. JUNEAU moved that NUMBER 1 WHICH IS PART OF DP 77 BE ADOPTED.

**EXHIBIT (jeh33a30)**

**Discussion:**

SEN. WILLIAMS said, “Hardly any more discussion is needed. I think we see what is going on here. I am not going to berate this much. But again, I think what we are doing as a Committee is unconscionable”. She was troubled that the Subcommittee was going to pass on the work in funding IEAM to another body in the Legislature.
SEN. WILLIAMS said that curriculum grants are the minimum that should be adopted and gave her reasons. OPI does not even have any materials that they can afford to send to the school districts.

CHAIR FRANKLIN asked that this Subcommittee stay as players. The members have been a fairly functional committee who have worked on some issues and found resolution. CHAIR FRANKLIN said that providing the necessary resources will help give the Subcommittee the leadership that is so needed to keep the members as players.

CHAIR FRANKLIN asked the Subcommittee to adopt this small amount of money for curriculum development. She said, “I just believe educationally the energy is out there, let's bring it back from the grass roots. This will really help communities get involved.”

Vote: Motion failed 3-4 by voice vote with REP. FRANKLIN, REP. JUNEAU, and SEN. WILLIAMS voting aye. SEN. ESP voted no by proxy.

Components of DP 77

Number 4

Grants to 50 Model “Ready-to-Go” School Districts

REP. JUNEAU said that she will move Number 4. She knew that Havre, Arlee, Browning, Ronan, and Great Falls would be ready to provide others with the IEAM materials. Missoula might also be ready to apply for some of the grants. Missoula schools were the first Montana schools to pass the IEAM policy required under accreditation since 2000. REP. JUNEAU stated that since she knows some school boards and school districts are supporting IEAM, she would like to give those schools the opportunity to be provided with some resources and some money. These schools could be the role models that are needed.

Motion: REP. JUNEAU moved that NUMBER 4 WHICH IS PART OF DP 77 FOR $2 MILLION BE ADOPTED.

EXHIBIT(jeh33a31)

Substitute Motion: On behalf of SEN. ESP, REP. GLASER made a substitute motion that FOR NUMBER 4, $1.1 MILLION BE ADOPTED.

EXHIBIT(jeh33a32)
SEN. RYAN asked REP. JUNEAU if this motion was adopted, would it mean that school districts that already have IEAM materials could share the materials. REP. JUNEAU replied she hoped that school districts which are lacking IEAM materials would seek out school districts that have already done something with this program.

REP. JUNEAU said that these grants will provide “ready-to-go” schools money to help with some of the things that the schools have been struggling with. These schools have been taking money from other funds to pay for the IEAM program. People have also been volunteering from the community.

REP. JUNEAU stated she is going to oppose this motion because the $2 million is appropriate. “Our working committee worked hard on this. We have a good plan for it. It's a budget item that's well justified in the plan if implementing IEAM.”

SEN. WILLIAMS understood how passionate REP. JUNEAU was about IEAM, but this program is a good program. Something can be done with the $1.1 million; more money could get appropriated on the House floor, but this item needs to be approved at the Subcommittee level first.

CHAIR FRANKLIN said as Chair, she was willing to put in the budget as much funding as the Subcommittee was comfortable supporting. Whatever that level would be, it would start the discussion process for funding IEAM. She felt strongly about the synergy of giving money to the communities and was willing to support the substitute motion.

REP. GLASER reiterated that this motion was coming from SEN. ESP who would support the motion while he would not support it.

REP. JUNEAU thanked SEN. WILLIAMS for her comments and said, “You've changed my mind. I will vote yes on this, but be very clear of my position”.

Vote: Motion carried 6-1 by voice vote with REP. GLASER voting no. SEN. ESP voted aye by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 3.4 - 8}

Recap

Through discussion between CHAIR FRANKLIN, Mr. Standaert and REP. JUNEAU, they decided that of the original $7.5 million,
approximately $1.435 million was adopted today for IEAM. Approximately $335,000 was approved in DP 77 (3, 5a, 6, 7, 9) and $1.1 million in Program (09). **Mr. Standaert** said that DP 79 (renumbered DP 80) will reflect the $1.1 million grants to “ready-to-go” schools.

**REP. JUNEAU** thought that since the funding level for the grants to the “ready-to-go schools was reduced, the number of schools that could apply might need to be reduced.

**REP. GLASER** thought that saying “up to 50 model schools” would be the best way to handle the reduced funding. This concept would allow flexibility for OPI.

**Motion/Vote:** **REP. GLASER** moved TO INSERT "UP TO 50 MODEL SCHOOLS" IN NUMBER 4 BE ADOPTED. Motion carried unanimously by voice vote. SEN. ESP voted by proxy.

**EXHIBIT (jeh33a33)**

{Tape: 4; Side: A; Approx. Time Counter: 8 - 10.3}

Recap of Figure

Through discussion between **REP. JACKSON**, **REP. JUNEAU**, **CHAIR FRANKLIN** and **SEN. RYAN**, it was decided that the Subcommittee is approximately $6 million shy of the original $7.5 million proposal. The Subcommittee and Governor Schweitzer have adopted $3.435 million above the Martz Budget for IEAM. The adopted proposals will be a biennial appropriation. With Number 4, there will be $1.1 million for schools who wish to apply for grants.

**EXHIBIT (jeh33a34)**

**Line-Itemed DPs**

**Program (06)**

**Mr. Standaert** said this Subcommittee needs to choose which DPs should be line-items, which then will be placed on a separate line in HB 2. With Program (06), there will be approximately $6 to $7 million that will be tied to OPI's Administration program. He recommended that DP 54, DP 60, DP 62, DP 72 and DP 77 be taken out of the lump sum because many of the DPs are OTO and DP 77 is dealing with FTEs. These DPs would then be shown separately and the rest of the DPs could be totaled into one number for OPI administration.
CHAIR FRANKLIN thought that DP 53 might be added, but after input from Ms. Carlson, CHAIR FRANKLIN understood that this DP reflects Program (06), the administration part and not Program (09).

Motion/Vote:  REP. JACKSON moved that DP 54, DP 60, DP 62, DP 72 and DP 77 ARE LINE-ITEMS IN PROGRAM (06) BE ADOPTED. Motion carried unanimously by voice vote. SEN. ESP voted by proxy.

EXHIBIT (jeh33a344)

{Tape: 4; Side: A; Approx. Time Counter: 10.3 - 14.6}

Line-Itemed DPs
Program (09)
DP 78 & DP 79 (renumbered DP 80)

Mr. Standeart directed the Subcommittee to Program (09), which is on the back of the financial summary sheet. He suggested that DP 79, the $1.1 million IEAM monies for grants to schools, be line-itemed. DP 78, the $13.94 million BASE aid, is already reflected as a line-item.

Motion/Vote:  REP. JACKSON moved that LINE ITEM DP 79 BE ADOPTED. Motion carried unanimously. SEN. ESP voted by proxy.

[ Exhibit 33 shows the DPs that were line-items in Program (09)].

{Tape: 4; Side: A; Approx. Time Counter: 14.6 - 15.6}

Mr. Standaert said that OPI's executive action is complete.

Other Subcommittee Actions

CHAIR FRANKLIN thanked all Subcommittee members for the work that was done.

{Tape: 4; Side: A; Approx. Time Counter: 15.6 - 16.3}
ADJOURNMENT

Adjournment: 11:59 A.M.

________________________________
REP. EVE FRANKLIN, Chairman

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DIANA WILLIAMS, Secretary

EF/dw

Additional Exhibits:

EXHIBIT(jeh33aad0.PDF)