MINUTES LOG
Sept. 12, 2018
Room 152, Capitol Building
Helena, Montana

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

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at http://leg.mt.gov. On the left-side menu of the home page, select Committees, then Interim. Once on the page for Interim Committees, scroll down to the appropriate committee. The written Minutes Log, along with the audio and video recordings, is listed by meeting date on the interim committee’s web page. Each of the Exhibits is linked and can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed.

Please contact the Legislative Services Division at 406-444-3064 for more information.

COMMITTEE MEMBERS PRESENT
SEN. EDIE MCCLAFFERTY, Chair
REP. FRED ANDERSON, Vice Chair
SEN. DANIEL SALOMON
SEN. RUSSEL TEMPEL
REP. MOFFIE FUNK
REP. DONALD JONES

COMMITTEE MEMBERS EXCUSED
SEN. TOM FACEY
REP. JACOB BACHMEIER

STAFF PRESENT
PAD MCCRACKEN, Lead Staff
LAURA SANKEY KEIP, Staff Attorney
KAREN GILBERT, Secretary
Wednesday, September 12, 2018

VISITORS' LIST (Attachment 1)

AGENDA (Attachment 2)

COMMITTEE ACTIONS
The committee adopted HJ 1 Final Report with discussed changes. The committee amended LC 307X and adopted LC PUPL, LC SPED, LC FAID and LC QELA.

CALL TO ORDER AND ROLL CALL
00:00:01 Sen. McClafferty called the meeting to order and the secretary took roll. Rep. Bachmeier was absent and Sen. Facey was excused. (Attachment 3)

00:00:43 Pad McCracken, LSD research analyst, reviewed the agenda. He noted Board of Regents Chair Fran Albrecht would not be calling in and provided written comments. (Exhibit 1)

STAFF UPDATES
Administrative Rule Review - Laura Sankey Keip, Staff Attorney
00:03:10 Ms. Sankey Keip reviewed memos. (Exhibit 2)

Defining attendance terms - Ms. Sankey Keip
00:04:45 Ms. Sankey Keip discussed chronic absenteeism. (Exhibit 3)
00:06:51 Rep. Funk asked about tracking valid reasons for absenteeism.
00:08:50 Sen. McClafferty said she agreed absenteeism is a problem and school districts are monitoring it.

School districts operating schools in other school districts - Mr. McCracken
00:09:33 Mr. McCracken discussed his memo. (Exhibit 4)
00:16:01 Rep. Jones asked if each school gets $50,000.
00:17:06 Sen. Salomon asked if colony schools each get $50,000 from neighboring schools.

00:18:02 Rep. Funk asked why Riverview was with a certain district.
00:18:48 Sen. Tempel said Chester decided it was not economically feasible to go with Riverview.

00:26:11 Sen. Tempel said Liberty County has been going through this the last few years and is hoping OPI will weigh in.
00:26:59 Mr. McCracken said OPI is looking at this issue but there is no timeline.
00:27:31 Sen. Salomon asked if these schools give up representation, how do they make the decision to move?
00:28:40 Sen. Salomon asked if the school has an issue, how do they resolve it without official representation.
00:29:35 Rep. Jones asked how many students are in Rimrock and Hillside.

Public comment
Dennis Parman, executive director Montana Rural Education Association

Rep. Jones confirmed the numbers.
Rep. Jones said it felt like a perverse incentive to set these things up, the school district benefits and the state has to pay.
Sen. Salomon asked if it was an unintended situation, what is to stop districts from putting themselves out there to invite schools to join their district to make money for their district. Is it a possibility?
Sen. Salomon asked Mr. Parman if this is something we need to think about.
Mr. Parman said it was his experience they did not need to worry about it. He said it has been a challenge for colony schools to find someone to take them.
Rep. Funk asked if the reason OPI didn't weigh in was because it was an interlocal agreement?

Retirement GTB - Mr. McCracken
Mr. McCracken discussed his memo. (Exhibit 5)

AGENCY MONITORING - BOARD OF PUBLIC EDUCATION - Peter Donovan, Executive Director
Mr. Donovan said the board is taking action on two items brought by the committee and discussed rules adopted by the board.
Rep. Jones said it was great that has been put into place and asked if Digital Academy has picked up coding classes in its curriculum.
Sen. McClafferty thanked him for working closely on suicide prevention training.

AGENCY MONITORING - OFFICE OF PUBLIC INSTRUCTION
Interstate Compact on Educational Opportunity for Military Children - Brigadier General (Ret) Harold Stearns
Gen. Stearns began his presentation. (Exhibit 6)
Rep. Jones said he grew up in a military family and his classes didn't align, and asked if that is where Gen. Stearns would jump in.
Rep. Funk said she went to nine schools and clarified it doesn't have to just be overseas schools transfers they work with.

Superintendent's updates - Deputy Superintendent Susie Hedalen
Ms. Hedalen presented the superintendent's update including school safety. (Exhibit 7)
Rep. Funk asked when the school safety grants would be available.
Tracy Moseman, OPI health and safety, said the grant funds would come to OPI to help districts and would not be sub-granted out to districts.
Ms. Hedalen said they are awaiting news on the awards. She then gave federal updates.
Sen. McClafferty asked about the formula.
Ms. Hedalen discussed the ESSA state report card. (Exhibit 8)
Rep. Funk asked if districts would have two different reports?
01:45:17 Sen. Salomon asked about measuring college prep.

**OPI-requested legislation - Kyle Moen, chief legal counsel, OPI**
01:46:59 Mr. Moen discussed legislative requests. *(Exhibit 9)*
01:53:24 Sen. McClafferty asked about the request to share information with other agencies.
01:55:22 Mr. McCracken asked if the committee should treat these as agency bill draft requests or if they are changes the superintendent's office is looking at and will pursue with legislators.

**At-risk student report - Scott Furois, data analyst, OPI**
01:56:18 Mr. Furois discussed at risk students. *(Exhibit 10)*
02:08:19 Rep. Funk asked why the ACT scores dropped.

**American Indian Achievement gap report - Eric Meredith, data analyst, OPI**
02:09:58 Mr. Meredith presented his report. *(Exhibit 11)*
02:24:42 Sen. Tempel asked for a breakdown on school populations just off the reservation and how school data has changed over the past 10 years.

**Critical Quality Educator Shortages report and identification criteria - Mr. Furois**
02:27:09 Mr. Furois presented his report. *(Exhibit 12)*

**21st Century Community Learning Center Grant followup - Tracy Moseman, OPI**
02:40:06 Ms. Moseman presented her update.
02:48:47 Rep. Funk asked about the scoring for the grant.
02:52:58 Rep. Funk asked if more money went to clubs like Boys & Girls Clubs than public schools.
02:54:48 Laurie Bishop, Montana Afterschool Alliance, discussed 21st Century Community Learning Center grants. *(Exhibit 13)*
03:02:59 Rep. Funk asked about fee-based programs and grant rules.
03:05:03 Ms. Moseman commented on parent-fees and federal regulations.
03:06:35 Ms. Hedelan said no neighboring states are allowing fees for participating in 21st Century.

**BRIEF RECESS**
03:08:05

**MONTANA YOUTH CHALLENGE ACADEMY - Tammy Pittman, counselor, and Carolyn Bielser, instructional coordinator**
03:23:48 Ms. Pittman and Ms. Bielser presented information on the academy.
03:42:32 Sen. McClafferty asked how many students they serve.
03:43:18 Ms. Bielser played a video with testimony about the program.
03:48:45 Rep. Funk asked about choosing to go to Youth Challenge vs. being directed to go.
03:50:00 Rep. Funk clarified there is no requirement to stay for five months.
LUNCH RECESS
03:52:53

DPHHS PRESCHOOL REPORT (HB 639) - Jamie Palagi, DPHHS administrator, Human and community Services Division; Jennifer Owen, executive director of Explorers Academy, head start program; Mellonie Roesler-Begalke, preschool teacher
04:05:43 Ms. Palagi presented her report. (Exhibit 14)
04:16:48 Ms. Owen presented her report. (Exhibit 15)
04:29:03 Rep. Jones asked if the lottery was advertised as free and that was incentive to get people to apply. He also asked if the program name was intentionally not labeled "Head Start."
04:32:58 Sen. Salomon asked about class size and children's different levels and how that affects models.
04:35:59 Sen. Salomon asked how much private preschools should charge and should the state give them a little money to get off the ground?
04:39:02 Rep. Funk asked about funding models and asked if the state should put a few more sideboards on the private preschools?
04:43:07 Rep. Jones commented that Explorers Academy had a fundraiser and his golf team came in first.
04:44:20 Ms. Roesler-Begalke presented her report. (Exhibit 16)
04:53:00 Rep. Funk asked if there is the opportunity for kids to stay all day.
04:54:32 Rep. Funk asked Ms. Palagi how she would tweak the program.

HJ 1 STUDY - GIFTED AND TALENTED - Panel discussion with Dr. Estee Aiken, Education Division Chair, UM Western; Pete Donovan, executive director, Board of Public Education; Kelly Elder, chair, Certification Standards and Practices Advisory Council; Kyle Moen, chief legal counsel, OPI
04:57:59 Sen. McClafferty invited the panelists for the gifted and talented discussion.
05:00:19 McClafferty opened discussion regarding a letter sent in June. (Exhibit 17)
05:00:35 Ms. Aiken said it was interesting to see the letters written in response. (Exhibit 18) (Exhibit 19) (Exhibit 20)
05:01:14 Mr. Donovan said it was important to look at 1992 decision.
05:06:16 Mr. Elder said he mirrored Mr. Donovan's comments.
05:06:52 Mr. Moen said OPI is dedicated to all Montana students but was placed in an awkward position with the letter.
05:07:54 Ms. Aiken said there is concern it is an unfunded mandate.
05:08:41 Rep. Funk asked if they could add an endorsement similar to special education.
05:10:19 Ms. Aiken said few people get the special competency because there is no pay impact, they are just trying to hire teachers.
05:14:09 Sen. Salomon said because of national testing and benchmarks, the stigma is we are teaching to the lower level to move them up and increase test scores. He said that goes against dealing with gifted and talented and asked how do we deal with that issue?
05:15:35 Mr. Elder said differentiating education within the classroom and challenging
everyone at all times, gifted and talented is a vehicle offering opportunities.

Mr. Donovan said schools have tools like advanced placement and dual enrollment that are being used to address students in rural schools.

Ms. Aiken said it is also not an "either or" but better qualifying teachers to meet all learners.

Rep. Funk asked how they can move the conversation to create gifted and talented programs that carry more weight.

Ms. Aiken said they need someone full time at OPI overseeing gifted and talented education.

Mr. McCracken said the committee needs to think what they want to include as recommendations in the draft report and noted it's too late for a bill draft.

Sen. McClafferty asked the committee to come up with ideas for the conversation.

Public Comment

Kelly Fedge DuBose, Decoding Dyslexia

HJ 1 STUDY - SPECIAL EDUCATION FUNDING

Mr. McCracken presented a bill draft, LC SPED, requested by the committee in June. (Exhibit 21)

Rep. Funk asked if the funding starts in the next biennium.

Rep. Funk asked if it would be on six inflationary increases.

Sen. Salomon asked if they are passing to put inflation on special education and adding however many million more to even it out.

Sen. Salomon asked if those getting the discounted number would get any kind of increase or only the inflationary increase and was it going to the coops or everybody.

Sen. McClafferty asked if they could adopt as a committee bill.

Public comment

Dennis Parman, executive director Montana Rural Education Association
Kirk Miller, School Administrators of Montana
Diane Burke, Montana Quality Education Coalition

Motion

Sen. Salomon moved to adopt the committee bill.

Vote

Motion passed on a unanimous voice vote.

Sen. McClafferty said Rep. Funk will carry the bill.

HJ 1 STUDY - WRAP UP

Mr. McCracken discussed the report. (Exhibit 22)

Rep. Funk said they didn't talk about kids on 504s and said she wondered if they
Sen. McClafferty asked if they could include a committee suggestion that OPI hire someone to fill vacant position and have the Board of Education and the legislature talk about aligning rule in statute.

Sen. Salomon said special needs are becoming more prevalent within schools and it is overloading the system, they need to do something different.

Rep. Funk said she concurred and noted one success was removing the stigma so parents and students aren't as reluctant to get help.

Mr. McCracken read back the committee's ideas.

Sen. Tempel said he would like to see what issues schools around the state face, each district has own unique situation.

Mr. McCracken said he would draft recommendations for the committee to review tomorrow.

Rep. Funk asked if the only bill draft related to HJ 1 would be the one for special education.

Public comment

Abigail St. Lawrence, Montana Association for Gifted and Talented

Nick Salmon, Collaborative Learning Network

Hannah Nieskens, Whitehall School District, 6-12 Principal; 2018 MASSP Principal of the Year and National Principal of the Year finalist

Jon Konen, Great Falls Public Schools, Lincoln Elementary Principal; 2018 MAEMSP National Distinguished Principal

Tammy Lacey, Great Falls Public Schools, Superintendent; 2018 MASS Superintendent of the Year and G.V. Erickson Award winner

Kelly Elder, Helena Public Schools, C.R. Anderson Middle School; 2017 Montana Teacher of the Year

Melissa Romano, Helena Public Schools, Four Georgians Elementary; 2018 Montana Teacher of the Year

Sen. McClafferty thanked the panel and congratulated them for their awards.

Sen. Salomon moved to amend the bill draft.

Rep. Funk asked if they had all the bill drafts.

Mr. McCracken said they just needed to amend.
Sen. McClafferty asked to see the new 307 with new language tomorrow and assign it.

The motion carried on a unanimous voice vote.

Mr. McCracken said he would bring an updated draft 307X tomorrow, the rest of the bill drafts have previously been adopted. He said Rep. Funk had asked him if pure cleanup bills could be grouped together.

Sen. McClafferty said that was a good idea.

Mr. McCracken said it was most natural to join first three bill drafts, the last two could be perceived as a little more policy and not entirely cleanup.

Rep. Funk said 307s should be by itself.

Sen. McClafferty asked to see the three consolidated in one bill to be assigned tomorrow.

Sen. Salomon said it should probably be run by the Legal Services Office.

Mr. McCracken agreed.

Mr. McCracken discussed the pupil definition bill draft.

Sen. Salomon asked if every district has kindergarten.

Rep. Funk said she could see why this would get them in the weeds.

Rep. Funk asked what she was missing on subsection 2 and subsection 4.

Rep. Funk said the flexibility here is the child with disabilities can receive services through the district as early as 2-years.

Rep. Funk said the parents can then keep the child out of regular classroom until age 7.

Sen. Tempel said he was confused about kindergarten. Does a 7-year old have to start kindergarten? Where is the law?

Sen. Salomon said he recollected age 7 was put in for first grade before kindergarten was heard of. He asked if is kindergarten a must instead of an if you want to.

Mr. McCracken said they are not touching compulsory age.

Ms. Sankey Keip discussed a related statute.

Mr. McCracken read a related statute.

Rep. Funk said the main point was consistency and clarification.

Sen. Salomon said there can't be a fiscal note.

Sen. McClafferty asked if they want to adopt LC PUPL.

Rep. Anderson moved they adopt LC PUPL.

The motion passed unanimously on a voice vote. Sen. Salomon will carry it.

Sen. McClafferty mentioned LC 307S and said she would carry it.

Kara Sperle, OPI school finance administrator, discussed a question Sen. Tempel raised earlier.
08:02:37 Mr. McCracken distributed materials for Thursday morning.

RECESS

08:04:33 Meeting recessed until 8 a.m. Sept. 13.
MINUTES LOG
Sept. 13, 2018
Room 152, Capitol Building
Helena, Montana

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

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at http://leg.mt.gov. On the left-side menu of the home page, select Committees, then Interim. Once on the page for Interim Committees, scroll down to the appropriate committee. The written Minutes Log, along with the audio and video recordings, is listed by meeting date on the interim committee’s web page. Each of the Exhibits is linked and can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed.

Please contact the Legislative Services Division at 406-444-3064 for more information.

COMMITTEE MEMBERS PRESENT
SEN. EDIE MCCLAFFERTY, Chair
REP. FRED ANDERSON, Vice Chair
SEN. DANIEL SALOMON
SEN. RUSSEL TEMPEL
REP. MOFFIE FUNK
REP. DONALD JONES

COMMITTEE MEMBERS EXCUSED
SEN. TOM FACEY
REP. JACOB BACHMEIER

STAFF PRESENT
PAD MCCRACKEN, Lead Staff
LAURA SANKEY KEIP, Staff Attorney
KAREN GILBERT, Secretary
CALL TO ORDER AND ROLL CALL
00:00:00 Chair McClafferty called the meeting to order and the secretary took the roll. Representative Bachmeier and Senator Facey were excused. (Attachment 3)

STATE FINANCIAL AID PROGRAMS
STEM Cost Modeling
00:02:06 Shauna Albrecht, LFD, discussed her report. (Exhibit 24)

Report from Subcommittee on State Financial Aid Programs and Review of LC FAID - Laura Sankey Keip
00:09:18 Ms. Sankey Keip discussed memos. (Exhibit 25) (Exhibit 26) (Exhibit 27).
00:15:38 Rep. Funk asked about federal match.
00:17:15 Mr. McCracken said the governor has communicated a desire to see more need-based aid.
00:18:38 Sen. Salomon said they are talking about not only taking money for STEM, but two other programs.
00:24:49 Sen. Jones asked if they take money out of lottery right up front, in which case would they use the number for.
00:26:15 Sen. Jones said they should put a limit, or try to control it.
00:28:26 Sen. Salomon said Rep. Jones’ issue was front and center in the discussion regarding a ranking system. He said he would like to see the committee come up with a solution.
00:29:28 Rep. Jones’ said his suggestion is first-come first-serve.
00:31:51 Sen. Salomon asked when the transfers take place into the general fund.
00:32:44 Mr. McCracken said the transfers to the general fund are called net proceeds and require that the lottery has met all other expenses first.
00:33:15 Sen. Salomon said one of the issues is whether there will be enough in the fund since you can't control the flow in.
00:34:35 Sen. McClafferty asked about the general fund.
00:35:44 Rep. Funk asked about Sec. 17, page 13, if the total amounts are less than on Sept. 1 then they have to do something the day before?
00:38:19 Rep. Funk asked if they have consensus on moving in this direction.
00:38:33 Sen. Salomon said the governor's office has said they would like to see more need-based. He said the Promise Act was a great idea but no money was thrown into it.
00:39:41 Rep. Funk said she remembered a chart showing different programs and zeros, she said the titles and ideas are lovely, but it is more important to get some money and actually help these students.
00:42:19 Sen. McClafferty asked about the superintendent.
Rep. Jones said he thought it was a no-brainer, clean-up portion.

Ms. Sankey Keip said the subcommittee requested two bills be drafted.

Sen. Tempel asked if there was a need-based criteria anyone talked about.

Sen. Salomon said the short answer was no.

Ms. Sankey Keip said a document from a few meetings ago showed the three bodies would work together to fund three types of financial aid, merit, workforce development and financial need.

Mr. McCracken said there has never been statutory criteria regarding need-based aid.

Ms. Sankey Keip said overflow can go to need-based aid.

Ms. Sankey Keip said the current draft says excess funds must be carried over from one fiscal year to the next but is more permissive.

Rep. Jones asked who decides criteria for needs-based aid?

Rep. Funk said STEM might be first-come first-serve, but needs-based would be more pragmatic.

Mr. McCracken said he was trying to avoid proration or first-come first-serve for STEM with any excess flowing to need-based.

Rep. Funk asked about the $2.7 million for first-come first-serve.

Mr. McCracken said they aim to design a program that will fall under $2.7 million and build in a cushion to reliably fund STEM for everyone who is entitled to it and have a little for need-based aid as well.

Rep. Jones asked about section 7 and said the verbiage skirts around needs.

Rep. Funk asked why it was changed from assistance to aid, is that the more current or accepted language?

Sen. McClafferty invited the foundation members to the table.

Chris Murray, president and CEO, Montana State University Alumni Foundation

Cindy Williams, president and CEO, University of Montana Foundation

Mr. Murray presented information about a matching gift program.

Ms. Williams shared a quote: "Talent is equally distributed across society, but opportunity is not." She said making awards based on need doesn't exclude those with merit.

Rep. Funk asked if funds would only go to the main campuses.

Mr. Murray said OCHE manages the funds and it goes to all campuses across state.

Rep. Funk said that was the right answer. She asked if the intention is to make it a one-time appropriation to be renewed every year?

Mr. Murray said they don't want the state to see it as an ongoing obligation. They want to prove the concept and build culture of philanthropy.

Ms. Williams agreed and said it allows smaller campuses in the system to use the appropriation to build a culture of giving on their campus.

Sen. Salomon asked about need-based aid.

Mr. Murray said it could be distributed by institution type, or other ways, he doesn't see an issue, doesn't see need vs. merit as mutually-exclusive.

Ms. Williams said the foundations don't have any input on the students who receive aid, that is determined by offices of financial aid through guidance by OCHE.
Sen. McClafferty asked if financial need families need to apply.
Sen. Tempel asked when forms come in, is it first-come first-serve?
Ms. Williams said for some students who are late entries to campus, there is potential there isn't as much aid available at that time.
Rep. Funk asked if high schools are doing a good job getting this information to students.
Ms. Albrecht said during her experience in higher education she found institutions promote the scholarships to attend Montana schools.
Sen. McClafferty said they could clean it up and get rid of scholarships that don't have any money.
Sen. Salomon said they need to take a significant look at this and come up with a plan that works.
Mr. Murray said the concept of consistency of promise to a student is an issue. He discussed endowments.
Sen. McClafferty asked if there is a ballpark figure.
Mr. Murray said $16.8 million was the initial number, but they have come to believe even a modest amount this first time out would work to prove the concept.
Sen. McClafferty asked if there would be record-keeping on amounts and how many students are affected.
Mr. Murray said yes they have to do a stellar job reporting out and he envisions an annual report.
Rep. Funk said it was a great idea.
Rep. Funk asked about MUS research initiative, MREDI and noted it was not funded last time. She asked if it was in their books and it just didn't get funded or does something have to be brought?
Ms. Albrecht said $15 million for MREDI it was an OTO. She said last session was tight and the funds went away. She said those programs are ongoing and they were able to leverage some money.

BILL DRAFT DISCUSSION
Sen. Salomon asked about access to higher education and need.
Rep. Jones said he was still stuck on not having enough money and awards were made to students. He said to strike the line that says excess funds are carried over and do the financial need part separately. He said money should just stay in STEM program and build up.
Rep. Anderson concurred. He said it was imperative that scholarships listed be funded and excess money carried forward and kept in an account.
Rep. Jones said they may need to put a maximum like 125% of next year.
Ms. Albrecht agreed a max would be good but it would come down to what level of scholarship is determined.
Sen. McClafferty asked the committee what they wanted to give yearly.
Sen. Salomon said we can come back every two years and adjust the awards, it's not the biggest issue. He said they should discuss the difference where it stands now and how it affects the budget.
Sen. McClafferty asked if they could come back to the discussion after they know funding.
Sen. McClafferty said they need to decide how to award STEM amount.

Rep. Funk said she liked that it goes to four years starting at $1,000 with a small increase each year.

Rep. Anderson said he agreed with the concept but would prefer $6,000 total over four years.

Sen. Salomon asked if the consensus is they like the 7th option a little better?

Sen. McClafferty asked if they ask for work study money separately?

Rep. Jones said it can get changed during the process but they could put it all in one build.

Sen. McClafferty asked three members like option 7.

Rep. Funk asked if it would get too complicated to say if you are in a two-year institution you get $1,000-$2,000 but if in a four-year institution you get the $6,000.

Sen. McClafferty said a lot of students go from two to four-year, how would that work?

Ms. Albrecht said part of the goal of the two-year campus is to transfer to other institutions of higher education, the other part is to enter the work force.

Sen. McClafferty said if they decide to go to four-year college they could reapply.

Ms. Albrecht said they would need to indicate they are receiving aid at another institution.

Sen. Salomon said the eligibility should be pretty simple.

McClafferty asked for a motion to amend the draft.

Motion

Rep. Anderson made motion to amend the draft to use first year $1,000, second year $1,000, third year $2,000 and fourth year $2,000 for a total of $6,000 and $1.5 million for the workstudy SEOG, for a total of $3.5 million.

Sen. Salomon asked if $1.5 million would come out of lottery money.

Ms. Albrecht said $1.5 million has been consistently in appropriations through program 2.

Sen. Salomon clarified $1.5 million is the normal appropriation.

Rep. Jones said this bill leaves it the same, but the $2 million comes from lottery.

Sen. Salomon asked if it would flow $2 million for multiple years.

Ms. Albrecht said there are nuances with the assumptions.

Sen. Salomon said they ought to make it $2.1 or $2.2 million with the intent that it's a new program and it would be looked at again in two or four years.

Rep. Funk said she liked offering $1,500, a bit more, for the second year as the second year is often the hardest year.

Ms. Albrecht said they have a model and can play with the numbers.

Rep. Anderson withdrew his motion for further discussion.

Ms. Albrecht presented the funding model with different numbers.

Mr. McCracken asked about the estimate for the upcoming biennium cost.

Mr. McCracken said Sen. McClafferty had asked about a transfer, that is just to jump-start things.

Sen. Salomon said they need $750,000 to start it, but with $2.2 million from the lottery they can pay back general fund the next year. He asked if that is an easier sell.

Ms. Albrecht said that could touch on Rep. Jones' request that if you hit a certain
level, some goes back to general fund.

01:55:34 Sen. Salomon said he is just looking at how to pay the seed money back.

01:56:00 Rep. Jones said the appropriations committee will have new people and noted it always looks good to pay back funds.

01:56:38 Ms. Sankey Keip said playing with the numbers as you have, it would be closer to $400,000 to fund the transfer the first year.

**BRIEF RECESS**

**REPORT ON STATE HERITAGE PROPERTIES FROM STATE HISTORIC PRESERVATION OFFICE** - Dr. Mark Baumler, State Historic Preservation Officer, and Dr. C. Riley Auge, chair, State Historic Preservation Review Board

02:19:18 Dr. Baumler introduced himself.

02:20:15 Dr. Auge introduced herself.

02:20:43 Mr. McCracken referred to the report in the committee packet. *(Exhibit 28)*

02:21:01 Dr. Baumler said Mr. Whittenberg sends regards and introduced administrator Denise King of the Montana Historical Society.

02:23:07 Dr. Auge presented the Fourth Biennial Report of the Status, Condition and Stewardship of Montana’s State-owned Heritage Properties *(Exhibit 29)*

02:47:40 Sen. Tempel asked if they get follow up reports about properties accepted?

02:48:00 Dr. Baumler said the 2011 amendment intended to establish a biannual report from the agency.

02:48:35 Rep. Funk said it’s discouraging there hasn’t been a comprehensive inventory since 1980 and asked what it would take to update?

02:49:51 Dr. Baumler said they need to research whether all properties are heritage properties. He said they have identified 500 and suspect at least 500 more.

02:52:09 Rep. Funk asked if there was a chance some buildings on the inventory are already lost due to lack of maintenance.

02:52:37 Dr. Baumler said they have recognized and are aware of some losses since 2011.

02:54:50 Sen. McClafferty asked if they work with universities regarding archeological sites.

02:55:04 Dr. Auge said that is a complex question -- it depends on the project and what is involved. She said the University of Montana gets involved if it is directly related to what is going on in their department.

02:57:25 Rep. Funk asked if it would be simple to get a list of buildings owned by agency.

02:58:08 Dr. Baumler said the list is posted online by agency and by county.

02:58:24 Sen. McClafferty said she was surprised to see that DPHHS had properties and asked how they were picked?

02:58:41 Dr. Baumler said some of the buildings DPHHS uses are recognized as significant heritage properties.

02:59:16 Sen. McClafferty asked if there is a guideline for agencies to evaluate their properties?

03:00:37 Rep. Funk asked about DNRC’s building on 11th that was a heritage property and was torn down.

**EDUCATIONAL OPPORTUNITIES FOR ENHANCING CAREER AND COLLEGE READINESS - UPDATES ON WORK-BASED LEARNING, CTE AND DUAL ENROLLMENT**
Casey Schreiner, work based learning director, Department of Labor and Industry, presented an update on the apprenticeship tax credit and high school outreach.

Rep. Funk asked about issues with child labor laws and insurance with pre-apprenticeship programs, was that a roadblock?

TJ Eyer, OPI, said they are working on a manual at schools to work on issues.

Sen. McClafferty asked about the most popular apprenticeship.

Rep. Jones asked about the fiscal note, will they need a supplemental?

Mr. Eyer reported on the incorporation of work based learning in the state continuing education funding formula. (Exhibit 30)

Mr. Eyer gave an update on Perkins V. (Exhibit 31)

Jule Walker, Deputy Superintendent OPI, gave an update on continuing education. (Exhibit 32)

Amy Williams, OCHE, discussed dual enrollment.


Rep. Funk asked about a component where students would take a survey to determine where their strengths lie.

Sen. Tempel said free is good but asked who covers cost of dual enrollment?

**BRIEF LUNCH BREAK**

**UPDATE ON COMMUNITY COLLEGE FUNDING REVIEW**

Ms. Albrecht presented her report. (Exhibit 33)

Rep. Jones said he thinks this needs to be reigned in, there is no reason to spend this much money for resident students.


Rep. Funk asked if there is a justifiable reason cost is higher?

Rep. Jones said population is a major factor.

Rep. Funk said larger places have economies of scale and this cannot be attributed to that.

**WORK SESSION FOR REMAINING DISCUSSION OF ANY FINDINGS AND RECOMMENDATIONS, COMMITTEE REPORTS AND BILL DRAFTS**

Sen. McClafferty referred to the earlier discussion of bills and asked Ms. Albrecht for info on the STEM model.

Sen. McClafferty asked if work-study money was a federal appropriation.

Sen. McClafferty asked for the highest amount.

Sen. McClafferty asked if SEOG and work-study was for need-based aid.

Sen. Salomon asked if they put more money in, would it be matched with federal money?

Sen. McClafferty said they need to decide STEM numbers.

Rep. Jones moved they move forward with $1,000, $1,500, $1,500 and $2,000.

Sen. Salomon confirmed they would need $2.2 million under the model they are using.

Sen. Salomon asked if the first year wouldn’t be as big.

Sen. Salomon asked about the total for first and second year and then paying back the first year to the state.
04:44:05 Sen. Salomon said if this went right and the model comes through, they would be able to pay the general fund back.

04:45:10 Sen. Salomon asked what it would be in the third and fourth year.

04:45:44 Sen. Salomon said he would like to see a cushion and also look down the road so it's sustainable in the third and fourth year and noted it should be reviewed.

04:46:41 Rep. Funk agreed. Her hesitation was putting sunsets on.


04:47:56 Rep. Funk said it needs plenty of time and they could review it in 10 years.

04:48:36 Sen. McClafferty asked if review was a better word than sunset.

04:48:48 Rep. Funk said yes. She asked if it would need to be reported to EDIC.

04:49:13 Sen. McClafferty said they could require a report to the committee.

04:49:29 Mr. McCracken said there could be a reporting requirement and the LFC will be monitoring overages.

**BRIEF BREAK**

05:01:21 Sen. McClafferty confirmed the committee agreed on the numbers.

05:02:04 Sen. Salomon said the intent is to pay $750,000 back.

05:02:18 Ms. Sankey Keip said she would look into language.

**Motion**

05:02:28 Rep. Anderson moved the committee adopt LC FAID as amended.

05:02:38 Ms. Sankey Keip clarified motion.

05:03:45 Ms. Albrecht clarified the numbers.

05:04:24 Ms. Sankey Keip went over the changes.

05:04:40 Mr. McCracken clarified motion.

05:04:57 Ms. Sankey Keip pointed out language.

05:05:47 Sen. McClafferty confirmed it was OK to put in one motion.

05:06:04 Rep. Jones asked if Ms. Sankey Keip could not use the term "excess funds" in language.

05:06:51 Sen. Salomon said if they do this right the intent is to never need that phrase.

05:07:30 Sen. McClafferty called for vote.

**Vote**

05:07:45 The motion passed unanimously on a voice vote.

**Motion**

05:08:21 Rep. Anderson moved the committee approve the bill draft.

**Vote**

05:08:25 The motion passed unanimously on a voice vote.

05:08:57 Sen. Salomon said he would carry it.

05:09:25 Ms. Sankey Keip discussed the quality educator draft bill.

**Motion**

05:09:47 Rep. Jones moved they adopt the quality educator draft bill.
The motion passed unanimously on a voice vote. Sen. McClafferty will carry it.

**REMAINING DISCUSSION**

05:10:36 Mr. McCracken discussed a new page 9 to go in yesterday's report. *(Exhibit 34)*
05:14:39 Rep. Jones said there are things they can be doing that don't cost money.
05:15:33 Rep. Funk said school administrators need to prioritize gifted and talented as professional development.
05:17:37 Rep. Funk said it is up to the schools and administrators to decide how much they are going to dedicate to gifted and talented.
05:18:29 Sen. Salomon said Dr. Aiken from Western said they couldn't add a class, but maybe they could offer strategies within existing courses.
05:19:30 Rep. Anderson said he agreed but noted there is plenty of room for review and revision to incorporate the gifted and talented.
05:19:57 Sen. McClafferty said they had agreed on this earlier.
05:20:07 Rep. Funk said she agreed and noted that everyone needs to be held accountable.
05:20:52 Sen. McClafferty asked how they will approve if changes had not been drafted.
05:21:11 Mr. McCracken said he understood the intent of the committee and would do his best to incorporate.

**Motion**

05:21:33 Rep. Anderson moved they adopt the final HJ 1 report.

**Vote**

05:21:49 The motion passed unanimously on a voice vote.

05:22:16 Mr. McCracken discussed LC FIXZ, a school cleanup bill. *(Exhibit 35)*
05:24:30 Rep. Funk asked if it was a bad idea to combine issues into one bill?
05:25:36 Sen. McClafferty said they would disregard that version and keep all bills separate.
05:25:52 Mr. McCracken said that was fine and noted they need to assign sponsor.
05:26:08 Sen. Salomon said he will carry them.
05:27:00 Mr. McCracken said in regard to LC PUPL, he could write a preamble to the cleanup bill and lay out some of the questions so it's all there.
05:28:35 Mr. McCracken invited suggestions for the next interim and passed out a summary of what they have done this interim. *(Exhibit 36)*
05:29:31 Sen. McClafferty suggested having entities involved in gifted and talented come together and give a report.
05:30:18 Sen. McClafferty suggested also a report on the One-Two-Free program.
05:30:41 Sen. Salomon said taking a new look at special education is a huge open issue that isn't going away.
05:31:02 Rep. Anderson said dyslexia needs to be looked at further.
05:32:15 Rep. Funk said if the MREDI program was not funded, the interim committee should look at funding.
05:33:16 Ms. Sankey Keip said it was a line item in HB 2.
05:33:28 Rep. Funk asked if 2015 was the first and only year it was funded.
05:33:59 Sen. McClafferty said the foundation presentation was an FYI but there are people in the committee interested.

05:34:29 Sen. Salomon said there was money for scholarships for bills they are talking about getting rid of and suggested they talk about priorities.

05:35:23 Rep. Funk asked if they should let OBPP know they have a better idea?

05:35:57 Sen. Salomon clarified he is talking about need-based match.

05:36:22 Rep. Funk asked if there will be a conflict if they put money into the STEM program.

05:36:55 Sen. Salomon said the Promise Act is private money.

05:37:41 Mr. McCracken said one of the priorities was to rekindle collaborations with the Montana University System and the Board of Regents. He asked if they want to continue that type of collaboration?

05:38:23 Sen. McClafferty said it would be good to have a joint meeting.

ADJOURNMENT

05:39:15 With no further business before the committee, Sen. McClafferty adjourned the meeting.