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Local Government Interim Committee

67th Montana Legislature

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TONI HENNEMAN, Lead Staff
JULIE JOHNSON, Staff Attorney
FONG HOM, Secretary

June 16, 2022

FROM: Toni Henneman, Research Analyst
RE: Education Interim Budget Committee Letter Follow-up

LGIC Members:

In May, the LGIC moved to send a letter to the Education Interim Budget Committee (IBC-E) requesting the IBC-E consider including additional funding for the MSU Extension Local Government Center (LG Center) in the 2025 biennial budget. On June 15, 2022, I presented the letter with an overview and updated funding request from the LG Center.

Ultimately, the IBC-E did not move to advance the topic, citing concerns with the proposed funding request and after hearing testimony that the Office of the Commissioner of Higher Education (OCHE) does not plan to request additional funding for the MSU LG Center in the upcoming governor's budget.

Representative Jones, an IBC-E member, was present for the 2015 LG Center funding allocation agreement. In that agreement, Rep. Jones testified that it was his understanding that 20% of the MSU LG Center's funding was to come from local government entity contributions. He expressed concern that the negotiated cost-share agreement between the state and local governments may become unbalanced if the state increased its share of funding, namely the \$240,000 currently requested by the MSU LG Center. Local government fees-for-training represent 18% of the LG Center's current budget¹. Rep. Jones warned the percentage may fall lower if the state were to fully fund the requested 2.5 FTE without reciprocal local government entity contributions.

Shauna Lyons, MUS Director of Accounting and Budget, testified that the Board of Regents currently prioritizes present law adjustments for the university system, long-range planning projects, pay plan, and other system-wide initiatives. OCHE does not plan to include additional funding for the LG Center in its budget proposal process but would support increased funding if Rep. Jones' concerns were addressed.

Chair Bedey thanked the LGIC for bringing the topic to the IBC-E's attention but stated it would not be appropriate for the committee to take action at this time.

Sincerely,

Toni Henneman
Research Analyst

¹ *Montana State University Extension Local Government Center's legislative history, current operations, and future opportunities*, June 7, 2022, presented to the Education Interim Budget Committee.



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June 7, 2022

Dear Members of the Education Interim Budget Committee:

The Local Government Interim Committee (LGIC) investigates various local government topics throughout the interim and regularly reaches out to the Local Government Center at Montana State University Extension for research and aid. The Legislature created the MSU Local Government Center in 1993 to "strengthen the capacities of Montana's local governmental units to deliver essential services efficiently and to provide training, technical assistance, and research to local officials."¹

The Local Government Center offers a broad suite of fee-based training to local government entities including counties, municipalities, and special districts, which in turn helps ensure that local officials fulfill statutory duties. In addition, the Center is tasked with various technical assistance and publication requirements. With limited staff, the Center struggles to meet the needs placed on them not only by the Legislature but also the local governments themselves. To adequately fulfill the Local Government Center's statutory duties, the LGIC believes additional funding must be devoted to the Center.

The LGIC introduced [HB18](#) during the 2021 session which requested funding for two FTE positions at the Local Government Center. HB18 did not pass, and the Center continues to struggle to meet the need for in-person trainings which in turn strains the Center's capacity to offer statutorily required technical assistance and updated publications.

The LGIC asks the Education Interim Budget Committee to analyze the Local Government Center's current funding and entertain including additional funding to cover two associate training and technical assistance specialists and a part-time administrative associate at the Local Government Center in the budget process for the 2025 biennium.

Increasing the funding for the MSU Extension Local Government Center will help fully support local government entities to govern fairly, correctly, and effectively for the citizens of the state of Montana.

Sincerely,

Rep. Geraldine Custer, LGIC Chair

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Sen. Christopher Pope, LGIC Vice-chair

Enclosed: MSU LG Center Background & Funding Request
List of Trainings Offered
2015-2021 MSU LG Center Funding History

¹ 20-25-237, Montana Code Annotated

**Montana State University
Extension Local Government Center
Local Government Center's legislative history, current operations, and future
opportunities**

I am pleased to respond to your request for additional information concerning MSU Extension Local Government Center funding and the services it provides across the state of Montana to locally elected and appointed officials. The following background may be useful to you.

History

The Local Government Center (LGC) was created in 1985 to assist counties and municipalities with the Voter Review process whereby citizens vote to evaluate and change local government's operations. The 6th constitutionally required Voter Review process begins November 2024 and concludes in 2026.

In 1993, the Montana State Legislature formally established the LGC's mission in the Montana Code Annotated: *The Center's purpose is to strengthen the capacities of Montana's local governmental units to deliver essential services efficiently and to provide training, technical assistance, and research to local officials* (MCA 20-25-237).

The LGC's mission is consistent with the outreach and engagement mission of MSU Extension and extends to all municipalities and counties across Montana. It provides certification, training, research, and technical assistance to more than 7,000 locally elected and appointed public officials annually.

LGC Funding History

During the 2015 legislative session, MSU Extension's based funding was increased by \$180,000 to partially fund the Local Government Center's operations.

The Center has been entrepreneurial in finding creative short-term solutions to funding shortfalls. Local governments contribute to the overall funding through fee for services trainings by the Center.

Today, the Center operates with 3.65 FTE and a total annual personnel budget of \$341,271. Contributions to the annual budget include

- 53% or \$180,000 from the Legislature,
- 29% or \$98,759 from MSU Extension and
- 18% or \$62,512 from the local governments in the form of fee for service.

The Legislature's contributions to the LGC budget combined with investment from MSU Extension currently covers the Director and the full-time Associate Director and majority of the Program Manager salaries. The funding contribution for the remaining 0.75 FTE comes from revenue generated fees from the LGC training and facilitation.

Demand for Services by Montana Local Governments

The Local Government Center accomplishes phenomenal outcomes and impacts despite its limited staff and resources. The LGC's success is primarily due to the staff's commitment to the Center's mission and their willingness to give their discretionary effort to serve the local governments of Montana. As outlined on the attached chart of Biennium FY 2017-19 Training and Facilitation Services, in 24 months the LGC delivered 212 individual workshops, trainings or facilitated work sessions to 7,489 local government officials and

**Local Government
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community members. An additional 102 trainings have been offered since July 2021. As Eric Bryson, Executive Director for MACo explained during public comment at previous LGIC committee meeting, the impact of the Center is dependent on the 1 or 2 staff members' willingness to be on the road, year-round, providing training statewide to meet a growing demand for support. The pace and schedule makes the Center's impact and effectiveness as a resources to local government vulnerable and unsustainable. In addition to the in-person training the Center staff spend approximately 1,400 hours per biennium providing technical assistance support to local governments. Currently, the Center manages and monitors nine listservs for various local government officials. These listserv user groups include mayors, municipal clerks, clerks of district court, clerk and recorders, election administrators, city managers, public works directors, and municipal human resource managers. The staff respond to hundreds of technical assistance questions via email and phone calls each year.

Another concern shared by the Center staff is the fee for service model. Although, it is proven that people will value what they pay for, there are some jurisdictions that cannot afford the LGC's modest fees and, therefore, cannot benefit from the many training options. These cities, counties, water, sewer and fire districts could benefit from accessing the Center's many governances and professional development training programs, but are unable to justify the expense when resources are so scarce.

One other challenge the Center faces is staff burnout. At some point, regardless of impact and professional satisfaction gained from working with local governments, LGC staff cannot sustain the level of training and travel that yield the current impact to local governments.

Finally, the demand for training and technical assistance has been increasing year over year and overshadows the Center's ability to meet its research mission. At this point the staff struggle to maintain its existing portfolio of research projects and publications. The Center has dropped its semiannual Montana Policy Review due to its focus on more immediate and urgent needs of local governments and the amount of time it takes to create the research and analysis.

The Center spends a majority of its time reacting to immediate challenges and crises and has little time to position itself to be proactive and provide intentional training and leadership development to public officials. Additional staff will allow the Center to meet existing demand and be more strategic in program development and delivery statewide.

Ideal Organizational Structure Based on Historical Demand

The size of the Local Government Center has fluctuated based on available funding. However, if the Center were to meet current demand for service and its three-part mission of training, technical assistance and research, it would need additional capacity and resources. To satisfy the existing demand for services, maintain a modest research agenda and support a Graduate Student Research Assistant, the Center would need to grow from its current 3.65 FTE to 6.15 FTE. The positions highlighted in bold are currently filled by staff.

- **Center Director** (1.0 FTE) – Dan Clark, 2008 to present.
- **Associate Director** (1.0 FTE) – Ashley Kent, 2021 to present, service to Center since 2014.
- **Program Manager** (1.0 FTE) – Lydia Maunz, 2022 to present.
- **Program Assessment Analyst** (.65 FTE) – Troy Holt, 2021 to present. Reduced FTE due to funding. Troy's salary is covered with funds generated through the Center's fee-for-service funds.
- Associate Training & Technical Assistance Specialist (1.0 FTE) – Vacant since February 2018 due burnout caused by funding model.
- Associate Training & Technical Assistance Specialist (1.0 FTE) – Vacant due to lack of funding.
- Admin Associate II (.5 FTE) – Vacant due to a lack of funding.

Any additional appropriations to the Local Government Center from the legislature will be invested after consultation with the Center's advisory committee to determine the greatest use for the most impact to the State.

The Local Government Center has performed a valuable service to the state of Montana for over 37 years and its continued success is contingent upon support and investment from the legislature.

Thank you for your consideration.



**Montana State University
Extension Local Government Center
Response to Funding Inquiry**

On May 18, 2022, the Local Government Interim Committee (LGIC) requested a funding memo outlining the MSU Extension Local Government Center's (LGC) need for additional FTE to adequately address the unmet needs of public officials in cities, counties, and special districts across Montana. Following that meeting, the LGC discussed with members of its Advisory Committee to develop a strategy and determine the necessary resources for sustainable operations. I am pleased to share the LGC's response to the committee's funding inquiry.

To adequately address the unmet needs of local governments across Montana, the LGC requests an additional \$240,000 be added to MSU Extension's base funding to support 2.5 new FTE. The additional funding will add two full-time Associate Training & Technical Assistance Specialists and a half-time Administrative Assistant, thereby increasing the size of the LGC from 3.65 FTE to 6.15 FTE. This expanded capacity will allow the Center to:

- Set more realistic expectations and achievable goals
- Enhance training and technical assistance across local government entities
- Ensure Center leadership into the future
- Provide continuity of service and sustainable succession

The additional resources will allow the LGC to increase training, facilitation, and technical assistance to local governments on policy-driven financial stewardship, effective long-term management of public resources and professional development of elected and appointed officials.

The Local Government Center Advisory Committee includes Eric Bryson, Executive Director of MACo; Kelly Lynch, Executive Director of MLCT; Alan Hulse, CEO of MMIA; Bill Berg, Park County Commissioner; Kisha Miller, Columbus City Clerk; Jim Doar, Gallatin County CAO; Carly Anderson, Beaverhead County Clerk of District Court and Carrie Ashe, MSU Extension Associate Director.

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Thank you for your consideration.

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Center**

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LOCAL GOVERNMENT CENTER OFFERED TRAININGS

CAPACITY BUILDING

- Conflict Management
- Customer Service
- Dealing with Difficult Conversations
- Emotional Intelligence
- Employee Motivation
- Ethics/Nepotism
- Highly Effective Teams
- The Futures Game®
- Leadership Challenge®
- Leadership Institutes
- Multi-Generation Workplace
- Negotiation Styles
- Real Colors®
- Staff Development for Succession
- Team Building

ANNUAL AND CURRICULUM-BASED

- Annual Ethics Trainings
- Clerks of District Court
- County Elected Officials
- Newly Elected Municipal Officials
- Executive Forum
- Montana Municipal Institute
- Municipal Summits
- Webinars/ Online Education

FACILITATION

- Candidate-Forum Moderation
- Civic Dialogue
- Community Engagement
- Employee Dispute Mediation
- Interlocal Agreements
- Participatory-Based Budgeting
- Strategic Planning
- Virtual Townhall Meetings

GOVERNANCE

- Bylaws/ Rules of Procedure
- Closed Meetings
- County Officials Roles & Responsibilities
- Course, Scope & Liability
- Effective Meeting Management
- Forms of Government
- Good Governance
- Local Government Review
- Montana Local Government Statutes
- Municipal Officials Roles & Responsibilities
- Open Meetings/Public Participation
- Parliamentary Procedure
- Public Records
- Special District Board Training

**Customized Training
as Needed or Requested**

Local Government Center
MSU Extension
State General Fund Allocation

	Budgeted	Actual	Notes
FY 22	202590.4		
FY 21		160,049	Salaries
FY 20		166,165	Salaries + \$8,174 operations
FY 19		161,345	Salaries
FY 18		149,219	Salaries
FY 17		171,302	Salaries + \$4,250 capital
FY 16		163,492	Salaries + \$500 operations
FY 15		31,575	Salaries
			\$73,915.08 salaries, \$26,067.93
FY 15		100,000	Benefits, \$16.99 operations

Local Government Center
MSU Extension
Publications

	As of Date	Revenue	Expenses	Ending Fund Bal
Budgeted		\$ 1,250	\$ 1,250	\$ 4,262
Actual	6/30/2021	2,455	6,441	4,262
Actual	6/30/2020	808	218	8,248
Actual	6/30/2019	1,150	4	7,659
Actual	6/30/2018	3,525	3,089	6,513
Actual	6/30/2017	2,460	1,469	6,077
Actual	6/30/2016	2,184	600	5,086
Actual	6/30/2015	2,029	2,015	3,501
	6/30/2014			3,487

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Local Government Center
MSU Extension
Workshops

	As of Date	Revenue	Expenses	Ending Fund Bal
Budgeted		\$ 91,800	\$ 70,449	\$ 188,956
Actual	6/30/2021	40,884	38,100	167,605
Actual	6/30/2020	85,288	117,063	164,822
Actual	6/30/2019	90,888	123,503	196,597
Actual	6/30/2018	205,273	162,085	229,212
Actual	6/30/2017	167,773	153,749	186,024
Actual	6/30/2016	190,938	124,740	172,001
Actual	6/30/2015	128,940	83,187	105,803
	6/30/2014			60,050