



LEGISLATIVE FINANCE COMMITTEE

Education Subcommittee

66th Montana Legislature

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

MINUTES LOG

Sept. 18, 2019

Room 102, Capitol Building

Helena, Montana

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

COMMITTEE MEMBERS PRESENT

LFC MEMBERS:

SEN. JANET ELLS
SEN. DAN SALOMON
REP. DAVID BEDEY
REP. LLEW JONES

OTHER MEMBERS:

REP. GRUBBS
SEN. MCCLAFFERTY
REP. FUNK
REP. HAMLETT

STAFF PRESENT

KRIS WILKINSON, Lead Fiscal Analyst
KAREN GILBERT, Committee Secretary

VISITORS' LIST ([Attachment 1](#))

AGENDA ([Attachment 2](#))

COMMITTEE ACTION

CALL TO ORDER and ROLL CALL

- 09:02:25 Sen. Salomon called the meeting to order and the secretary took the roll. ([Attachment 3](#))
- 09:03:12 Rep. Jones nominated Rep. Bedey as chair, the motion was unanimously approved on a voice vote.
- 09:04:18 Rep. Jones nominated Sen. McClafferty as vice chair, the motion was unanimously approved on a voice vote.

HB 657 Education-related Study

- 09:05:09 Kris Wilkinson, Legislative Fiscal Division analyst, presented an overview of HB 657, education-related study. ([Exhibit 1](#))
- 09:07:44 Introductions of panel members: Paul Taylor, Dick Trerise and Frank Podobnik, Office of Public Instruction
- 09:08:26 Pad McCracken, Legislative Services Division research analyst, presented Montana Special Education Funding Basics ([Exhibit 2](#)). Legislators were invited to ask questions during the presentation.

Brief recess

- 10:20:45 The committee took a brief recess.

Community College Funding Formula

- 10:33:42 Introduction of panel members: Shauna Lyons, Office of the Commissioner of Higher Education; Jane Karas, Flathead Valley Community College; Scott Mickelsen, Dawson Community College; Aaron Clingingsmith, Miles City Community College
- 10:34:40 Katie Guenther, LFD analyst, presented the Community College Funding Formula report ([Exhibit 3](#))
- 10:46:37 Sen. McClafferty asked about Dawson Community College.
- 10:47:05 Ms. Guenther responded.
- 10:47:18 Sen. McClafferty asked for an explanation on banding.
- 10:47:30 Ms. Guenther responded.
- 10:48:41 Rep. Jones discussed banding.
- 10:51:54 Ms. Guenther continued her presentation.

Benefits and challenges of community college formula

10:55:24 Ms. Lyons discussed the funding formula.

10:58:40 Ms. Karas discussed the formula change.

11:02:23 Mr. Mickelsen discussed the funding formula.

11:03:22 Mr. Clingingsmith said he didn't have much more to add to the conversation.

11:04:03 Rep. Jones discussed FTEs vs. unduplicated headcounts.

11:04:57 Mr. Mickleson discussed FTE.

11:05:13 Ms. Karas discussed FTE.

11:05:48 Rep. Jones asked about taxpayer dollars per student and total cost per student.

11:08:10 Ms. Karas responded.

11:09:17 Rep. Bedey said there is a concern the state is not adequately providing services to those who need technical education. He suggested the committee should rethink the funding formula.

11:12:27 Rep. Jones agreed and discussed the formula and the need to do better.

11:14:09 Ms. Karas said there are a lot of factors to look at and they appreciate being included in the process.

11:15:09 Rep. Bedey said he appreciated the concern for keeping things simple, but said they need to make sure the funding formula allows the legislature to handle the throttle on it.

11:15:51 Rep. Hamlett said he would like the committee to identify the variables within each college and keep in mind the mission of a program and it's associated costs.

11:17:09 Rep. Bedey said later in the day they would take up that topic.

11:17:23 Sen. Salomon asked the community college presidents to let them know about other factors they are not considering.

11:17:52 Rep. Hamlett said he didn't think the community colleges should be rubber-stamped, they each have different missions.

11:18:27 Rep. Bedey asked for data on fixed and variable costs.

11:19:53 Ms. Wilkinson asked for what period of time?

11:20:06 Rep. Bedey said the last 10-year period.

11:20:30 Rep. Jones said that has always been the challenge in this conversation. He asked the community college representatives how they deal with fixed costs.

11:22:19 Mr. Mickelsen responded.

11:22:37 Ms. Karas responded.

11:24:35 Sen. Salomon asked about the need for nursing, welding, and supplying workers. He asked how you put that in the formula?

11:25:07 Ms. Karas responded.

Career and technical education credit value current funding model

11:27:11 Rep. Bedey introduced the concept.

11:29:09 Rep. Jones discussed an NCSL report, "No time to lose" ([Exhibit 4](#)).

11:33:57 Rep. Bedey said help on the topic would be appreciated.

11:34:06 Ms. Lyons responded.

11:35:27 Ms. Karas responded.

11:37:02 Rep. Jones asked about the cost to provide math vs CDL.

11:37:16 Ms. Karas responded.

11:37:47 Rep. Jones clarified that it cost more to provide welding instruction than English.

11:38:25 Ms. Karas responded.

11:38:40 Rep. Jones said the credits might be more expensive.

11:39:01 Ms. Karas responded.

11:39:04 Rep. Jones said they need to delineate the cost of classes.

11:39:30 Mr. Mickelsen responded.

11:40:14 Rep. Bedey asked for additional information from the panelists.

11:40:31 Ms. Lyons handed out documents. ([Exhibit 5](#), [Exhibit 6](#), [Exhibit 7](#))

11:43:21 Rep. Jones responded.

HB 754 – Study commission on MUS restructuring

11:45:47 Mr. McCracken presented the report ([Exhibit 8](#)) and a [2007 legal opinion](#).

- 11:54:23 Rep. Bedey presented a memo from the Education Interim Committee. ([Exhibit 9](#))
- 11:55:10 McCracken discussed the memo.
- 11:58:09 Rep. Bedey said much of the work happens during session by the Joint Appropriations Section E subcommittee. He said the best way forward is to report to the full LFC in December for further discussion.

Public comment

12:00:01 Ms. Karas

Lunch recess

12:01:04 The subcommittee broke for lunch.

Proposed study approach – HB 657 committee discussion

- 13:30:42 Rep. Bedey introduced a draft plan.
- 13:31:11 Ms. Wilkinson discussed the plan. ([Exhibit 10](#))
- 13:34:56 Rep. Jones said he'd like to see characteristics the MOUs share.
- 13:35:31 Ms. Wilkinson said she has started that analysis.
- 13:35:41 Ms. Wilkinson continued.
- 13:36:44 Rep. Jones said they need to understand funding and maintenance of effort requirements.
- 13:37:28 Ms. Wilkinson responded.
- 13:37:57 Ms. Wilkinson continued with the plan outline.
- 13:38:51 Rep. Bedey said they need to prepare questions for coop members in advance.
- 13:39:13 Ms. Wilkinson suggested they do that in March.
- 13:39:23 Rep. Bedey agreed.
- 13:39:29 Ms. Wilkinson continued with the plan outline.
- 13:45:36 Rep. Bedey said it is an ambitious plan, but is necessary work.
- 13:46:02 Rep. Bedey proposed work groups within the subcommittee:
Special education funding: Rep. Grubbs, Rep. Funk, Sen. McClafferty, Sen. Ellis
Community Colleges: Sen. Salomon, Rep. Jones, Rep. Grubbs
CTE; Rep. Jones, Rep. Funk, Sen. McClafferty
Rep. Bedey said he would serve as ex officio member in all groups.

- 13:47:35 Rep. Funk said that was a great idea and asked if the groups needed to bring information to the next meeting.
- 13:47:51 Rep. Bedey said they've started scoping out the project, this ensures they are getting the right data moving forward.
- 13:48:14 Ms. Wilkinson said LFD staff would put together a plan and divide the workload into the various meetings and create agendas.
- 13:48:46 Rep. Bedey said he liked that plan.
- 13:49:04 Rep. Bedey said beyond the community college funding formula itself, the subcommittee needs to look at funding laws and district establishment.

HB 633 – Creating a digital library services account

- 13:50:25 Rep. Bedey confirmed Rep. Hamlett was on the phone, as it was his bill. Rep. Hamlett confirmed he was still there.
- 13:50:46 Ms. Wilkinson went over Montana State Library historical funding FY 2012 – FY 2019. ([Exhibit 11](#))
- 13:59:21 Joe Kolman, Director of Environmental Policy, Legislative Services Division, discussed MSL legislative efforts for funding the natural resource information system.
- 14:09:32 Mr. Kolman passed out a report on the National Heritage Program. ([Exhibit 12](#))
- 14:14:51 Jennie Stapp, State Librarian, discussed benefits and challenges of the current MSL funding model.

Public comment HB 633 study

- 14:30:35 Nanette Gilbertson, Montana Library Association

Proposed study approach – HB 633 committee discussion

- 14:32:49 Rep. Jones talked through the process on determining why this study is important.
- 14:39:31 Rep. Hamlett said we need information in real time, the library wasn't funded for long term sustainability.
- 14:41:55 Rep. Bedey said the subcommittee will need to stay focused and not allow mission-creep -- the digital library provides many services to many clients/customers. He said staff will need to outline all customers and all potential funding sources.
- 14:44:07 Rep. Bedey proposed a working group of the subcommittee to keep focused comprised of Rep. Hamlett, Sen. Ellis and Sen. Salomon. Rep. Bedey will serve ex officio member.

Update on HB 586 – related to state laboratories

- 14:45:47 Ms. Wilkinson briefed the committee on a previous study of state labs. ([Exhibit 13](#))
- 14:46:20 Rep. Kerry White, chair of the advisory committee, gave a brief history on the MSU veterinary diagnostic lab.
- 15:03:38 Rep. Bedey asked that we post documents to subcommittee website. Informational only?
- 15:03:56 Rep. White said the advisory committee is looking for this subcommittee to urge MSU to support this issue.
- 15:06:39 Rep. Hamlett said there was tension about funding Romney Hall during the last legislative session and people didn't want to rock the boat -- but they must keep in mind that MSU is a land-grant university chartered to study agriculture. He said the public is at risk and we are jeopardizing the state's hunting tradition. He said they need to get approval from the regents to build the labs, they are not asking for money.
- 15:10:51 Rep. Jones moved the subcommittee write a letter to the regents expressing support to allocate the necessary acreage to move forward.
- 15:12:11 Sen. Salomon asked if it was MSU's land and the regents would give authority to use it?
- 15:12:31 Rep. White said yes.
- 15:12:34 Rep. White said he has a draft letter from his committee to the board of regents.
- 15:12:42 Rep. Bedey said thank you.
- 12:12:50 Rep. White said the state currently sends CWD tests to Colorado State University and it takes 2-3 weeks to get results back. He said an in-state lab would have a more timely response.
- 15:13:10 Rep. Grubbs said there is plenty of land there, it's an opportunity zone and investors would be attracted.
- 15:13:32 Rep. Bedey asked Rep. White if there was any reason to think MSU doesn't support the plan?
- 15:13:46 Rep. White said they have a verbal commitment from MSU Vice President of University Communications Tracy Ellig that the university does support the lab. He said the two MSU representatives on the advisory committee voted against writing a letter as they were told it was a conflict of interest and not their place to tell the board of regents what to do. Rep. White said he disagreed and that MSU

needs to prioritize this.

15:15:14 Rep. Hamlett said the university members said they had to abstain because they were employed by the university and that was understandable. He said the Montana University System doesn't want to be put in the position of telling the board of regents what to do.

15:16:17 The motion to send the letter carried unanimously.

15:16:43 Rep. Bedey said they would meet again December 16.

Adjourn

15:17:13 With no further business, Rep. Bedey adjourned the meeting.

DRAFT