HOUSE BILL NO. 23

INTRODUCED BY S. FITZPATRICK

BY REQUEST OF THE LEGISLATIVE COUNCIL

A BILL FOR AN ACT ENTITLED: “AN ACT STANDARDIZING STATUTES RELATED TO LEGISLATOR COMPENSATION FOR INTERIM MEETINGS; AMENDING SECTIONS 2-15-1019, 2-15-1021, 2-15-1808, 2-17-803, 5-5-235, 5-20-301, 53-2-1203, 75-6-231, AND 90-1-603, MCA; AND PROVIDING AN EFFECTIVE DATE.”

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-15-1019, MCA, is amended to read:

"**2-15-1019. Board of directors of state compensation insurance fund -- legislative liaisons.** (1) There is a board of directors of the state compensation insurance fund.

(2) The board is allocated to the department for administrative purposes only as prescribed in 2-15-121. However, the board may employ its own staff.

(3) The board may provide for its own office space and the office space of the state fund.

(4) The board consists of seven members appointed by the governor. The executive director of the state fund is an ex officio nonvoting member.

(5) (a) At least four of the seven members shall represent state fund policyholders and may be employees of state fund policyholders. At least four members of the board shall represent private enterprises. One of the seven members may be a licensed insurance producer. One of the seven members must be a person with executive management experience in an insurance company or executive level experience in insurance financial accounting.

(b) A member of the board may not:

(i) except for the licensed insurance producer member, represent or be an employee of an insurance company that is licensed to transact workers' compensation insurance under compensation plan No. 2; or

(ii) be an employee of a self-insured employer under compensation plan No. 1.

(6) A member is appointed for a term of 4 years. A term begins April 1 of odd-numbered years and ends March 31. The governor shall appoint board members on or before February 1 of the odd-numbered years that coincide with the expiration of the board members' terms. The terms of board members must be staggered. A member of the board may serve no more than two 4-year terms. A member shall hold office until the end of the term.

(7) The members must be appointed and compensated in the same manner as members of a quasi-judicial board as provided in 2-15-124, except as otherwise provided in this section.

(8) There must be two legislative liaisons to the board consisting of members of the economic affairs interim committee provided for in 5-5-223. Subject to 5-5-234, the presiding officer of the economic affairs interim committee shall appoint the liaisons from the majority party and the minority party at the first interim committee meeting.

(9) Legislative liaisons shall serve from appointment through each even-numbered calendar year.

(10) A legislative liaison may:

(a) attend board meetings; and

(b) receive board meeting agendas and information relating to agenda items from the staff of the state fund.

(11) Legislative liaisons appointed pursuant to subsection (8) are entitled to compensation and expenses, as provided in 5-2-302, to be paid by the economic affairs interim committee and the state fund from a $100 annual fee paid by the state fund into the general fund. After each meeting, the board shall notify the legislative services division of which legislative members attended the meeting."

Section 2. Section 2-15-1021, MCA, is amended to read:

"**2-15-1021. Information technology board -- membership -- qualifications -- vacancies -- compensation.** (1) There is an information technology board. The board consists of 18 members who are appointed as follows:

(a) the chief information officer provided for in 2-17-511 or a designee, who serves as presiding officer of the board;

(b) the director of the department of administration or a designee;

(c) the director of the office of budget and program planning or a designee;

(d) three members who are directors of state agencies and who are appointed by the governor, or their designees;

(e) two members representing local government, appointed by the governor;

(f) one member representing the public service commission, appointed by the public service commission;

(g) one member representing the private sector, appointed by the governor;

(h) one member of the house of representatives, appointed by the speaker of the house of representatives;

(i) one member of the senate, appointed by the president of the senate;

(j) one member representing the legislative branch, appointed by the legislative branch information technology planning council;

(k) one member representing the judicial branch, appointed by the chief justice of the supreme court;

(l) one member representing K-12 education, appointed by the superintendent of public instruction;

(m) the attorney general or a designee;

(n) the secretary of state or a designee; and

(o) the state auditor or a designee.

(2) Appointments must be made without regard to political affiliation and must be made solely for the wise management of the information technology resources used by the state.

(3) A vacancy occurring on the board must be filled by the appointing authority in the same manner as the original appointment.

(4) The board shall function in an advisory capacity as defined in 2-15-102.

(5) Members of the board must be reimbursed and compensated in the same manner as members of quasi-judicial boards under 2-15-124(7), except that legislative members are reimbursed and compensated as provided in 5-2-302. After each meeting, the board shall notify the legislative services division of which

legislative members attended the meeting."

Section 3. Section 2-15-1808, MCA, is amended to read:

"**2-15-1808. Board of investments -- allocation -- composition -- quasi-judicial -- reporting.** (1) There is a board of investments within the department of commerce.

(2) Except as otherwise provided in this subsection, the board is allocated to the department for administrative purposes as prescribed in 2-15-121. The board may employ a chief investment officer and an executive director who have general responsibility for selection and management of the board's staff and for direct investment and economic development activities. The board shall prescribe the duties and annual salaries of the chief investment officer, executive director, and six professional staff positions. The chief investment officer, executive director, and six professional staff serve at the pleasure of the board.

(3) The board is composed of nine members appointed by the governor, as prescribed in 2-15-124, and two ex officio, nonvoting members. The members are:

(a) one member from the public employees' retirement board, provided for in 2-15-1009, and one member from the teachers' retirement board provided for in 2-15-1010. If either member of the respective retirement boards ceases to be a member of the retirement board, the position of that member on the board of investments is vacant, and the governor shall fill the vacancy in accordance with 2-15-124.

(b) seven members who will provide a balance of professional expertise and public interest and accountability, who are informed and experienced in the subject of investments, and who are representatives of:

(i) the financial community;

(ii) small business;

(iii) agriculture; and

(iv) labor; and

(c) two ex officio, nonvoting legislative liaisons to the board, of which one must be a senator appointed by the president of the senate and one must be a representative appointed by the speaker of the house. The liaisons may not be from the same political party. Preference in appointments is to be given to legislators who have a background in investments or finance. The legislative liaisons shall serve from

appointment through each even-numbered calendar year and may attend all board meetings. Legislative liaisons appointed pursuant to this subsection (3)(c) are entitled to compensation and expenses, as provided in 5-2-302, to be paid by the legislative ~~council~~ services division. After each meeting, the board shall notify the legislative services division of which legislative members attended the meeting.

(4) The board is designated as a quasi-judicial board for the purposes of 2-15-124.

(5) The board shall perform all duties outlined in 2-15-121 subject to the restrictions of Title 17, chapters 5 and 6, in a restricted enterprise fund type pursuant to 17-2-102.

(6) (a) The board shall prepare and present on its budget to the following committees on at least a biannual basis:

(i) the legislative finance committee;

(ii) the state administration and veterans' affairs interim committee; and

(iii) the general government interim budget committee.

(b) During each legislative session, the board shall report to the house appropriations committee, the senate finance and claims committee, and the general government joint appropriations subcommittee upon request."

Section 4. Section 2-17-803, MCA, is amended to read:

"**2-17-803. Capitol complex advisory council established -- membership -- staff services -- compensation.** (1) There is a capitol complex advisory council.

(2) The council consists of nine members as follows:

(a) two members of the house of representatives appointed by the speaker on a bipartisan basis;

(b) two members of the senate appointed by the committee on committees on a bipartisan basis;

(c) two public members appointed by the governor; and

(d) the director or the director's designee of each of the following agencies:

(i) the Montana historical society established in 22-3-101;

(ii) the Montana arts council established in 2-15-1513; and

(iii) the department of administration established in 2-15-1001.

(3) The council shall select a presiding officer, who may call meetings to conduct council business.

The department of administration shall provide staff services to the council.

(4) (a) A council member appointed under subsection (2)(c) is entitled to compensation not to exceed the daily allowance provided for in 5-2-301(3) for compensation of legislators for each day in which the member is actually and necessarily engaged in performing council duties and to travel expense reimbursement as provided in 2-18-501 through 2-18-503.

(b) A council member designated under subsection (2)(d) is not entitled to compensation for services as a member of the council.

(c) A council member appointed under subsection (2)(a) or (2)(b) is entitled to compensation and expenses as provided in ~~5-2-302~~ 2-15-122."

Section 5. Section 5-5-235, MCA, is amended to read:

"**5-5-235. Montana criminal justice oversight council -- duties -- membership.** (1) (a) There is a Montana criminal justice oversight council. The council consists of 18 members as follows:

(i) two members of the house of representatives, one selected by the speaker of the house and one selected by the house minority leader; ~~and~~

(ii) two members of the senate, one selected by the president of the senate and one selected by the senate minority leader;

(iii) one district court judge and one judge who presides over a city or municipal court or who is a justice of the peace, both of whom must be selected by the chief justice of the Montana supreme court;

(iv) the attorney general or the attorney general's designee;

(v) the director of the department of corrections;

(vi) the director of the office of state public defender;

(vii) the director of the department of public health and human services;

(viii) a county sheriff and a county attorney appointed by the attorney general; and

(ix) the following individuals appointed by the governor:

(A) one member of a federally recognized Indian tribe located within the boundaries of the state of Montana who has expertise in criminal justice;

(B) one member of the board of pardons and parole;

(C) one representative of crime victims who also serves on the board of crime control established in 2-15-2008;

(D) one representative of civil rights advocates; and

(E) two representatives of community corrections providers, one of whom must represent a treatment facility and one of whom must represent a prerelease center.

(b) When appointing members as required in subsection (1)(a), the governor and attorney general shall consider appointing individuals who also serve on the board of crime control established in 2-15-2008.

(2) The legislative services division shall provide clerical and administrative staff services to the council.

(3) The council shall elect a presiding officer, who must be a legislator.

(4) The council shall:

(a) provide direction and recommendations to the board of crime control regarding data to be included in the criminal justice data warehouse established in 44-7-126 and policies to govern the use of and priorities for the criminal justice data warehouse;

(b) study and recommend solutions to address issues facing the criminal justice system and its constituent state and local agencies;

(c) monitor the functioning of the criminal justice system; and

(d) make recommendations to the legislature to address system issues proactively, manage limited resources, improve workloads, make improvements to state and local criminal justice systems, meaningfully address crime, and enhance public safety.

(5) The council shall submit a report to the governor and legislature in accordance with 5-11-210. The report must include a description of the council's proceedings since the previous report.

(6) The council may request legislation to enact changes to the state's criminal justice system that the council finds necessary.

(7) The judicial branch, the department of corrections, the department of public health and human services, the board of pardons and parole, and the legislative services and fiscal divisions shall provide information and assistance as requested by the council.

(8) A vacancy on the council must be filled in the manner of the original appointment. If a vacancy

on the council remains unfilled by the appropriate appointing authority for more than 60 days, the council may vote to appoint a member to serve on the council until the appropriate appointing authority makes an appointment.

(9) Council members ~~must be reimbursed~~ are entitled to reimbursement for travel expenses as provided in 2-18-501 through 2-18-503. Members of the council who are full-time salaried officers or employees of this state or any political subdivision are entitled to their regular compensation. Legislative members must be compensated as provided in 5-2-302.

(10) The council shall provide updates to the law and justice interim committee and the legislative finance committee as requested."

Section 6. Section 5-20-301, MCA, is amended to read:

"**5-20-301. School funding interim commission.** (1) There is a school funding interim commission that must be formed during the 2015-2016 interim and each successive fifth interim pursuant to 20-9-309. The commission shall:

(a) conduct a study to reassess the educational needs and costs related to the basic system of free quality public elementary and secondary schools;

(b) if necessary, recommend to the following legislature changes to the state's funding formula;

(c) in considering changes to the funding formula or in designing a new funding formula, strive for a funding formula that:

(i) is understandable, transparent, and equitable, including adjustments for student needs, district characteristics, and local property wealth disparities;

(ii) utilizes revenue sources that are stable and predictable;

(iii) prioritizes funding the education of children in the current year, and not simply funding a system of schools based on prior year enrollment;

(iv) reduces administrative burdens and costs and drives funding toward classroom instruction;

(v) allows for parental choice within an expanded public education system;

(vi) eliminates the need for tuition payments between school districts;

(vii) minimizes property tax impacts related to the reappraisal cycle; and

(viii) incorporates free market principles where appropriate and rewards school districts based on student academic growth, achievement, and proficiency rather than head counts and seat time; and

(d) for the commission formed during the 2025-2026 interim, prior to conducting the study under subsection (1)(a), form an innovation and excellence in education working group to develop recommendations, objectives, and an implementation plan as described in subsection (10) to improve the basic system of free, quality, public elementary and secondary schools.

(2) In conducting the study, the commission may:

(a) review the work of previous studies and commissions;

(b) consider recommendations and topics provided by other interim or standing legislative committees, the board of public education, the office of public instruction, the governor's office, private organizations, professional educators, school trustees, and members of the public;

(c) review how the state's education funding policy has evolved as a result of litigation;

(d) seek input from representatives from the board of public education, the office of public instruction, the governor's office, private organizations, professional educators, school trustees, and members of the public;

(e) consider the state's existing and projected financial resources as well as the needs and concerns of Montana taxpayers;

(f) authorize research and studies to be conducted by reputable and reliable experts in the public or private sectors; and

(g) request research and analysis from the legislative fiscal division, the office of public instruction, the department of revenue, and any other state agency or entity that maintains information or data relevant to the study.

(3) The members of the commission are:

(a) six members of the house of representatives, three from the majority party and three from the minority party, appointed by the speaker of the house in consultation with the house majority leader and the house minority leader;

(b) six members of the senate, three from the majority party and three from the minority party, appointed by the president of the senate in consultation with the senate majority leader and the senate minority

leader;

(c) four members of the public to be appointed as follows:

(i) two public members appointed by the speaker of the house with the consent of the house minority leader; and

(ii) two public members appointed by the president of the senate with the consent of the senate minority leader;

(d) the presiding officer of the board of public education or the presiding officer's designee;

(e) the superintendent of public instruction or the superintendent's designee;

(f) the presiding officer of the board of regents of higher education or the presiding officer's designee; and

(g) the governor or the governor's designee.

(4) Appointments to the commission must be made by May 1 in a year the commission is to form, pursuant to subsection (1).

(5) The commission shall select its presiding officer and vice presiding officer, who must be legislators, at the first meeting of the commission.

(6) The commission is attached for administrative purposes to the legislative services division, and the legislative services division shall provide sufficient and appropriate support to the commission in order that it may carry out its statutory duties, within the limitations of legislative appropriations.

(7) The commission is staffed by the legislative services division. The legislative fiscal analyst shall assign staff to assist the commission.

(8) The commission shall issue a report to the legislature in accordance with 5-11-210 on the commission's findings and recommendations, including any draft legislation for amending the state school funding formula.

(9) (a) Legislative members must be compensated as provided in 5-2-302.

(b) Unless the person is a full-time salaried officer or employee of the state or a political subdivision of the state, a nonlegislative member appointed to the commission is entitled to salary and expenses ~~to the same extent as a legislative member~~ as provided in 5-2-302. If the ~~appointee~~ nonlegislative member is a full-time salaried officer or employee of the state or of a political subdivision of the state, the

~~appointee~~ member is entitled to reimbursement for travel expenses as provided ~~for~~ in 2-18-501 through 2-18-503.

(10) (a) The innovation and excellence in education working group is composed of the commission and others as determined by the commission. The commission shall include representation from teachers, school administrators, school trustees, and parent advocacy groups in forming the working group.

(b) The innovation and excellence in education working group shall:

(i) conduct a benchmarking or gap analysis study comparing the education policies of Montana to the education policies of high-performing international and domestic education systems or review a similar analysis conducted for another state;

(ii) develop recommendations to adapt the appropriate education policies of high-performing education systems for the public education system in Montana;

(iii) identify objectives to put the education performance of pupils in Montana in parity with that of pupils in high-performing education systems and make recommendations on how to meet the identified objectives;

(iv) develop an implementation plan for the recommendations made pursuant to this subsection (10)(b), which includes an analysis of the costs of the plan; and

(v) publish its recommendations and implementation plan no later than January 30, 2026.

(c) The innovation and excellence in education working group may contract with a reputable national organization to support the working group's efforts under this subsection (10)."

Section 7. Section 53-2-1203, MCA, is amended to read:

"**53-2-1203. Montana state workforce innovation board -- membership -- duties.** (1) There is a Montana state workforce innovation board.

(2) The board:

(a) must consist of individuals who fulfill the membership roles and selection criteria required by section 101(b)(1) of the Act, 29 U.S.C. 3111(b)(1); and

(b) may include individuals who fulfill the membership roles and selection criteria permitted by section 101(b)(1) of the Act, 29 U.S.C. 3111(b)(1).

(3) The governor shall consider the special needs of Montana's hard-to-serve Indian population and the state's relationship with tribal governments when making appointments to the board.

(4) The board shall perform the functions described in section 101(d) of the Act, 29 U.S.C. 3111(d), and assist the department of commerce in coordinating with local businesses in activities related to trade promotion and marketing.

(5) A legislative member of the board is entitled to compensation and travel expenses as provided in 2-15-122 for each day in attendance at a board meeting or in the performance of any duty or service as a board member."

Section 8. Section 75-6-231, MCA, is amended to read:

"**75-6-231. Intended use plan -- advisory committee.** (1) The department shall prepare an annual intended use plan for the state that meets the requirements of section 300j-12(b) of the federal act, 42 U.S.C. 300j-12(b).

(2) The intended use plan must include:

(a) a list of projects in the state that are eligible for assistance, including both the priority assigned to each project based on public health needs and on the financial needs of the project and, to the extent known, the expected funding schedule for each project; and

(b) a description of the funds to be allocated to activities under 75-6-212 and 75-6-221(2) and funds to be transferred to or received by the water pollution control state revolving fund, as allowed in 75-6-211(5), for the annual fiscal period following publication of the intended use plan.

(3) Before finalizing an intended use plan, the department shall prepare a draft document containing the information required in subsection (2) and shall provide public notice and opportunity to comment on the draft document.

(4) (a) Following the public comment period provided for in subsection (3) and any department modifications to the intended use plan resulting from the public comment, a summary of the public comment and the intended use plan must be presented for review, comment, and recommendations to an advisory committee formed by the department and consisting of six individuals from the following entities appointed by their respective presiding officers, directors, or executive officials:

(i) one member from the Montana league of cities and towns;

(ii) one member from the Montana association of counties;

(iii) one member from the department of natural resources and conservation;

(iv) one member from the department of environmental quality; and

(v) two members from the legislature. One member must be from the house of representatives and one from the senate, and subject to 5-5-234, one must be from the majority party and one must be from the minority party.

(b) The advisory committee is attached to the department for administrative purposes only.

(c) After each meeting, the board shall notify the legislative services division of which legislative members attended the meeting.

(5) The department shall address in writing any comments and recommendations provided by the advisory committee provided for in subsection (4) before finalizing an intended use plan and prior to awarding any contracts under 75-6-212(1)(g)."

Section 9. Section 90-1-603, MCA, is amended to read:

"**90-1-603. (Temporary) Establishment of commission and program -- administration and funding.** (1) There is a communications advisory commission that consists of nine members who must be appointed as follows:

(a) three legislators appointed by the president of the senate to include two members of the majority party and one member of the minority party;

(b) three legislators appointed by the speaker of the house to include two members of the majority party and one member of the minority party;

(c) the governor's director of the office of budget and program planning;

(d) the governor's chief economic development officer; and

(e) the governor's director of administration.

(2) The commission may provide parameters governing the submission and funding of broadband deployment grants as allowed by state and federal law or regulation.

(3) The department shall establish the broadband infrastructure deployment program and shall

administer and act as the fiscal agent for the program under the direction of the governor's chief economic development officer and with advice from the commission.

(4) The department shall develop parameters in accordance with state and federal law and federal guidance for the deployment of broadband funds with advice from the governor's chief economic development officer and the commission. The department shall make all materials available for public comment at least 14 days in advance of consideration by the commission.

(5) The governor's chief economic development officer, with advice from the commission, shall review materials as required by the national telecommunications and information administration prior to submission for approval, deployment plans, and grant award recommendations made by the department.

(6) The commission may cancel or reject an eligible proposal in whole or in part when it is in the best interests of the state.

(7) The commission shall submit to the governor grant award recommendations for final approval.

(8) ~~Appointed~~ Nonlegislative members of the commission must be compensated and receive travel expenses as provided in 2-15-124 for each day in attendance at commission meetings or in the performance of any duty or service as a commission member. Legislative members of the commission are entitled to compensation and travel expenses as provided in 2-15-122 for each day in attendance at a commission meeting or in the performance of any duty or service as a commission member.

(9) The department of administration shall staff the commission.

(10) Funding for the commission is allocated from the administrative costs allowed in subsection (11).

(11) Funding for the program established under this section is subject to appropriations from general fund revenue, from bonds issued by the department, or federal broadband stimulus funds or other federal funds appropriated by congress and allocated to the department for funding of broadband communications projects. The department may retain up to 2% of federal funding to support program administration as provided for by the national telecommunications and information administration. The department shall report administrative expenditures to the commission on a quarterly basis. (Terminates on occurrence of contingency--sec. 9, Ch. 696, L. 2023.)"

NEW SECTION. **Section 10. Effective date.** [This act] is effective July 1, 2027.

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