

MEMO

To: MAC, MHS, and MSL

From: Dylan Klapmeier, Governor's Education Policy Advisor

Date: November 12, 2024

Re: An Act Reallocating the Montana Historical Society (MHS), Montana Arts Council (MAC), and Montana State Library (MSL) from the State Board of Education to the Department of Administration for Administrative Purposes Only

Background

The Governor's Office is proposing legislation (attached) to change the administrative attachment of your agencies from the State Board of Education (State Board) to the Department of Administration (DOA). Under Montana's Constitution (Article X, Section 9), the State Board is composed of the Board of Regents and Board of Public Education and is chaired by the Governor. The State Board is responsible for planning, coordinating and evaluating education policies for the state's educational systems.

MCA 2-15-1511 allocates your agencies to the State Board "for the purposes of planning and coordination." However, the State Board is not a department, does not employ staff directly, and only meets once per year. It does not have the resources or capacity to provide your agencies the planning, coordination, and administrative support contemplated under MCA 2-15-1511. MHS, MAC, and MSL are the only state agencies that are not administratively attached to a department. All other agencies receive operational, budgeting, human resource, technological, and other administrative support from a department that has the resources to meet the specific needs of an attached agency.

Commonly Asked Questions

- How will this impact our agencies?
 - For the most part, this change is technical and organizational in nature. It does not change the authority, jurisdiction, or policymaking functions of MHS, MAC, or MSL. The statutes establishing your agency and governing board (MCA 2-15-1512, 1513, and 1514) will remain unchanged as will your programmatic authorities in MCA Title 22.
- Will this change our reporting processes?
 - Only slightly. You will remain in Section E of the state budget. This means that you will continue working with the legislature's education committees and with the Governor's education policy and budget staff. The governing boards of MHS, MAC, and MSL, working with their respective staff, will continue to prepare and approve agency budgets, which will then be submitted to DOA and included within its budget. As with all agencies within the executive branch, agency budgets and legislative proposals are subject to final approval of the Governor and his Office of Budget and Program Planning.
- Will this take away policy-making authority from our boards?

- No. Your boards fully retain the authority and programs granted to you by the Legislature. You will still hire and manage your own staff and direct your own policies, and procedures as long as they are consistent with state law, rule, and policy.
- When will this change take effect?
 - July 1, 2027 so as not to impact the budget and planning efforts for the 2027 biennium commencing July 1, 2025 and ending June 30, 2027.
- Will this impact our agencies' budgets?
 - Not necessarily. Each of your agencies has differing levels of support staff. If you don't wish to change your current operations, there will be no budget impact. However, if you would like to take advantage of DOA services, those will be negotiated through MOUs -- likely at better rates than can be obtained in the market.
- How do our agencies benefit from this?
 - Right now, if your agencies are in need of common services related to HR, IT, legal counsel, or operational matters that you don't have the capacity to provide internally, you must work with DOA, DOJ, or the market on an ad-hoc basis. This legislation would obligate DOA to provide you with these administrative supports on a priority basis and often at a more competitive cost. DOA will also help ensure that you are following state law, rule, and policy consistent with other agencies, which will help avoid audit findings.
- What does administrative attachment mean?
 - The definition of administrative attachment can be found in MCA 2-15-121, a copy of which is attached. This statute specifically reserves to MHS, MAC, and MSL the right to exercise your "quasi-judicial, quasi-legislative, licensing, and policymaking functions ***independently of the department and without approval or control of the department.***"
 - The administrative services to be provided by DOA will vary, depending upon the specific needs of MHS, MAC, and MSL. Prior to transitioning to the new structure contemplated by the legislation, DOA will meet with each agency to determine the extent of services to be provided in the areas of budgeting, recordkeeping, reporting, HR, IT, legal services, and any other administrative support.
 - The Governor's Office will continue to meet directly with the executive directors of your agencies at regular intervals.
- Why are we doing this?
 - To comply with state law. The State Board is not fulfilling its legal obligation to provide administrative support to MHS, MAC, and MSL. Additionally, this effort is in alignment with the Governor's red tape relief efforts and organizational efforts to align the policies and procedures of the executive branch.