

BEFORE THE OFFICE OF PUBLIC INSTRUCTION
OF THE STATE OF MONTANA

In the matter of soliciting applications)	NOTICE OF NEGOTIATED
for membership on a negotiated)	RULEMAKING
rulemaking committee to develop a)	
process, mechanism, and criteria for)	
the distribution of monies in the state)	
school oil and natural gas distribution)	
account)	

TO: All Concerned Persons

1. The Office of Public Instruction intends to establish two independent negotiated rulemaking committees to develop the process, mechanism, and criteria for the distribution of monies in the state school oil and natural gas distribution account and to consult on the preparation of an economic impact statement. This negotiated rulemaking process is required by 20-9-310(4), MCA (2015).

2. The two independent negotiated rulemaking committees will consider issues for the purpose of reaching a consensus on proposed rules for the distribution of monies in the state school oil and natural gas distribution account provided for in 20-9-520, MCA. The monies are to be paid to school districts that are directly impacted by oil and natural gas development, but that receive insufficient oil and natural gas revenues to address oil and natural gas development impacts.

The members of the first negotiated rulemaking committee must include public school officials and public school employees from school districts that are located in or are immediately adjacent to a county in which oil and natural gas production taxes are generated and professional organizations representing these public school officials and employees. This committee will transmit proposed rules regarding distribution of 50% of the funds deposited in the state school oil and natural gas distribution account.

The members of the second negotiated rulemaking committee must include public school officials and public school employees from school districts around the state and professional organizations representing these public school officials and employees. This committee will transmit proposed rules regarding the distribution of the remaining 50% of the funds deposited in the state school oil and natural gas distribution account.

3. Interests that are likely to be significantly affected by the proposed rules are those of school districts that are directly impacted by oil and natural gas development but that receive insufficient oil and natural gas production taxes to address the impacts.

4. The individuals proposed to represent state agencies on the negotiated rulemaking committees are: Madalyn Quinlan, Office of Public Instruction, Chief of Staff; Nancy Hall, Office of Budget and Program Planning, Lead Budget Analyst; and Chris Watson, Office of Budget and Program Planning, Revenue Analyst.

5. The agency is seeking applications from interested parties to serve on the two independent committees. For the first committee, the agency will seek public school officials and public school employees from school districts that are located in or are immediately adjacent to a county in which oil and natural gas production taxes are generated and professional organizations representing these public school officials and employees.

For the second committee, the agency will seek public school officials and public school employees from school districts around the state and professional organizations representing these public school officials and employees.

Members of the committees will be selected based on the following criteria:

- geography and proximity to oil and natural gas production areas
- district and school size
- grade levels served

6. The proposed working schedule for the negotiated rulemaking committee is as follows:

(a) On July 16, 2015, this notice will be published in the Montana Administrative Register (MAR). The notice will also be mailed to persons known to the agency to have an interest in this matter.

(b) Applications for membership on the negotiated rulemaking committee must be received no later than August 17, 2015. After receipt and consideration of the comments and applications, the agency will establish a negotiated rulemaking committee no later than August 31, 2015. The members selected to serve on the committee must be able to adequately represent the interests of the persons that will be significantly affected by the proposed rules. The committee members will be notified in writing of their selection and receive an information packet.

(c) If the negotiated rulemaking committee is successful in achieving a consensus on the proposed rules, the committee will transmit a report to the agency specifying the areas in which the committee has reached a consensus and the issues that remain unresolved.

7. Any individual or entity interested in applying for or nominating another person for membership on the committee must submit an application with the following information in writing to Madalyn Quinlan, mquinlan@mt.gov, Office of Public Instruction, P.O. Box 202501, Helena, Montana 59620, no later than August 17, 2015:

(a) the person's name or the nominee's name, address, and contact information including telephone or e-mail address;

(b) an indication as to whether the person or nominee is from a school district that is located in or is immediately adjacent to a county in which oil and natural gas production taxes are generated;

(c) evidence that the person or nominee represents any of the specific criteria of interest groups listed above;

(d) the name of the school district in which the nominee lives or works, and the relationship of the person or nominee to it;

(e) a commitment that the person or nominee will be able to participate in the negotiated rulemaking process as contemplated in paragraph 6 and will actively participate in good faith in the development of the rules under consideration; and

(f) the ability of the person or nominee to cover committee participation costs (such as telephone calls, travel, and per diem expenses).

8. Interested parties may submit their views and comments concerning the proposed negotiated rulemaking process to Beverly Marlow, Office of Public Instruction, P.O. Box 202501, Helena, Montana 59620, faxed to (406) 444-2893, or electronic mail to bemarlow@mt.gov no later than August 17, 2015.

9. Initially, the agency proposes to limit the size of the negotiated rulemaking committee to no more than fifteen persons. However, after receipt of comments and applications, the agency may determine that a smaller or larger number is necessary to adequately represent the interests of the persons significantly affected by the proposed rules. The selected committee members may represent other parties or agencies that have a significant relationship with Montana schools.

10. The agency will make reasonable accommodations for persons with disabilities who wish to participate on the committee. If you require an accommodation, please advise the agency of the nature of the accommodation you need when applying for membership on the committee.

11. Please note the following concerning the process of negotiated rulemaking:

(a) "Interest" for the purpose of this process means multiple parties that have similar points of view or that are likely to be affected in a similar manner in relationship to matters affected by the rule(s) (2-5-103(5), MCA).

(b) Negotiated rulemaking is not a substitute for the public notification and participation requirements of the Montana Administrative Procedure Act, and a consensus agreement by a negotiated rulemaking committee may be modified by an agency as a result of the subsequent rulemaking process (2-5-102, MCA).

12. The specific grant of rulemaking authority authorizing the Office of Public Instruction to adopt the proposed rules is found in 20-9-310, MCA. The proposed rules will implement 20-9-310, MCA.

/s/ Ann Gilkey
Ann Gilkey
Rule Reviewer

/s/ Denise Juneau
Denise Juneau, Superintendent
Office of Public Instruction

Certified to the Secretary of State July 6, 2015.