

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 63rd LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON APPROPRIATIONS

**Call to Order:** Chair Duane Ankney, on March 6, 2013 at 8:00 A.M., in Room 102  
Capitol

#### ROLL CALL

**Members Present:**

Rep. Duane Ankney, Chair (R)  
Rep. Steve Gibson, Vice Chair (R)  
Rep. Galen Hollenbaugh, Vice Chair (D)  
Rep. Nancy Ballance (R)  
Rep. Randy Brodehl (R)  
Rep. Mike Cuffe (R)  
Rep. Kimberly Dudik (D)  
Rep. Champ Edmunds (R)  
Rep. Ron Ehli (R)  
Rep. Carl Glimm (R)  
Rep. Dave Hagstrom (R)  
Rep. Roy Hollandsworth (R)  
Rep. Donald W. Jones (R)  
Rep. Kelly McCarthy (D)  
Rep. Bill McChesney (D)  
Rep. Robert (Bob) Mehlhoff (D)  
Rep. Pat Noonan (D)  
Rep. Ryan Osmundson (R)  
Rep. Lea Whitford (D)

**Members Excused:** Rep. Rob Cook (R)  
Rep. Tom Woods (D)

**Members Absent:** None

**Staff Present:** Lisa Adams, Committee Secretary  
Julie Johnson, Legislative Branch  
Joe Triem, Legislative Branch

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: HB 2, 3/5/2013

**HEARING ON HB 2****Opening Statement by Sponsor:**

00:00:47 Rep. Duane Ankney (R), HD 43, opened the hearing on HB 2, General Appropriations Act.

**EXHIBIT(aph48a01)**

00:03:57 Barb Smith, Assistant Principal Fiscal Analyst, Legislative Fiscal Division (LFD)

**EXHIBIT(aph48a02)****EXHIBIT(aph48a03)**

00:07:25 Rep. Cook arrived.

00:09:13 Dan Villa, Director, Office of Budget and Program Planning (OBPP)

**GENERAL GOVERNMENT - SECTION A****Opening Remarks:**

00:16:26 Rep. Osmundson

00:16:30 Chair Ankney left.

**Agency Comments:**

00:19:59 Linda McCulloch, Secretary of State (SOS)

00:22:34 Rep. Woods arrived.

**Public Comments:** None

**Questions by Committee Members:**

00:22:52 Rep. McCarthy

00:23:06 Ms. McCulloch, SOS

00:23:13 Rep. McCarthy

00:23:29 Ms. McCulloch, SOS

00:23:33 Rep. McCarthy

00:23:46 Ms. McCulloch, SOS

**Opening Remarks:**

00:25:15 Rep. Osmundson

**Agency Comments**

00:26:04 Mary Baker, Program Supervisor, Political Practices, Commissioner of Political Practices (CPP)

**Public Comments:** None

**Questions by Committee Members:**

00:27:48 Rep. Ballance

00:28:24 Ms. Baker, CPP

**Opening Remarks:**

00:29:16 Rep. Osmundson

00:29:51 Rep. Cook left.  
00:31:57 Chair Ankney arrived.

**Agency Comments:**

00:32:29 Sheila Hogan, Director, Department of Administration (DOA)

**Public Comments:** None

**Questions by Committee Members:**

00:34:11 Rep. Hollenbaugh  
00:34:52 Ron Baldwin, State Chief Information Officer (CIO), Information Technology  
Services Division, DOA  
00:36:17 Rep. Hollenbaugh  
00:36:24 Warren Dupuis, Support Executive Officer, CIO DOA  
00:38:26 Rep. Hollenbaugh  
00:37:23 Mr. Dupuis, DOA  
00:37:58 Rep. Cook arrived.  
00:38:05 Rep. Gibson left.  
00:41:51 Rep. Hollenbaugh  
00:42:18 Mr. Dupuis, DOA  
00:43:52 Rep. Osmundson  
00:44:42 Rep. Hollenbaugh  
00:46:16 Mr. Baldwin, DOA  
00:47:13 Rep. Hollenbaugh  
00:48:00 Mr. Baldwin, DOA  
00:48:12 Rep. Hollenbaugh  
00:48:37 Mr. Baldwin, DOA  
00:49:21 Rep. Hollenbaugh  
00:51:20 Mr. Baldwin, DOA  
00:52:26 Rep. Gibson arrived.

**Opening Remarks:**

00:53:35 Rep. Osmundson

**Agency Comments:**

00:57:00 Meg O'Leary, Director, Department of Commerce (COMM)

**Public Comments:**

00:59:31 Jim Atchison, Executive Director, Southeastern Montana Development  
Corporation (SEMDC) and Eastern Montana Impact Coalition  
01:01:49 Jason Rittal, Executive Director, Eastern Plains Economic Development  
Corporation (EPEDC) and Eastern Montana Impact Coalition

**EXHIBIT(aph48a04)**

**Questions by Committee Members:**

01:05:02 Rep. Gibson  
01:05:10 Rep. Hollenbaugh left.  
01:05:14 Rep. Osmundson  
01:05:50 Rep. Ballance  
01:06:20 Rep. Osmundson

01:07:41 Rep. Ballance  
01:07:51 Rep. Mehlhoff left.  
01:08:01 Rep. McCarthy  
01:09:05 Andy Poole, Deputy Director, Department of Commerce (COMM)  
**EXHIBIT(aph48a05)**  
01:13:24 Rep. McCarthy  
01:14:37 Rep. McChesney  
01:14:55 Rep. Osmundson  
01:15:05 Kris Wilkinson, Senior Principal Analyst, Legislative Fiscal Division (LFD)  
01:15:22 Rep. McChesney  
01:15:41 Ms. Wilkinson, LFD  
01:16:30 Rep. McChesney  
01:16:48 Ms. Wilkinson, LFD  
01:16:55 Rep. McChesney  
01:17:33 Rep. Brodehl  
01:18:32 Rep. Osmundson  
01:18:49 Ms. Wilkinson, LFD  
01:19:15 Rep. Brodehl  
01:19:17 Rep. Osmundson  
01:19:42 Rep. Dudik  
01:19:54 Rep. Brodehl and Rep. Gibson left. Rep. Hollenbaugh and Rep. Mehlhoff arrived.  
01:20:12 Ms. O'Leary, COMM  
**EXHIBIT(aph48a06)**  
01:20:50 Rep. Cuffe left.  
01:21:08 Rep. Hollenbaugh left.  
01:23:04 Rep. Dudik  
01:23:10 Rep. Osmundson  
01:23:14 Rep. Brodehl arrived.  
01:23:39 Rep. Edmunds left.  
01:23:56 Rep. McChesney  
01:24:48 Mr. Atchison, SEMDC  
01:25:22 Rep. McChesney  
01:25:44 Mr. Atchison, SEMDC  
01:26:17 Rep. McChesney  
01:27:25 Rep. Hollenbaugh arrived.  
01:27:52 Rep. Whitford  
01:28:22 Rep. Osmundson  
01:28:33 Rep. Hollenbaugh left.  
01:29:05 Rep. Noonan left.  
01:29:23 Rep. Edmunds arrived.  
01:30:04 Rep. Whitford  
01:31:05 Rep. Brodehl left.  
01:32:03 Rep. Gibson and Rep. Hollenbaugh arrived.  
01:32:38 Rep. Woods  
01:32:42 Rep. Cuffe arrived.  
01:32:50 Rep. Gibson left.  
01:33:02 Rep. Osmundson  
01:33:07 Rep. McCarthy  
01:33:39 Rep. Hagstrom

01:34:44 Ms. Wilkinson, LSD  
01:35:51 Rep. Osmundson  
01:36:05 Rep. Brodehl arrived.  
01:36:14 Rep. Hagstrom  
01:36:21 Rep. Gibson arrived.

[EXHIBIT\(aph48a07\)](#)

[EXHIBIT\(aph48a08\)](#)

[EXHIBIT\(aph48a09\)](#)

[EXHIBIT\(aph48a10\)](#)

[EXHIBIT\(aph48a11\)](#)

[EXHIBIT\(aph48a12\)](#)

**Opening Remarks:**

01:37:06 Rep. Osmundson

01:39:30 Rep. Cuffe and Chair Ankney left.

01:39:40 Rep. Dudik and Rep. McChesney left.

**Agency Comments:**

01:41:05 Pam Bucy, Commissioner, Department of Labor and Industry (DLI)

[EXHIBIT\(aph48a13\)](#)

01:41:40 Rep. McChesney arrived.

01:41:49 Rep. Cook left.

01:42:09 Rep. Noonan arrived.

01:44:00 Rep. Cuffe and Rep. Dudik arrived.

01:47:19 Rep. Noonan left.

01:47:25 Chair Ankney and Rep. Cook arrived.

**Public Comments:** None

**Questions by Committee Members:**

01:52:13 Rep. McCarthy

01:52:38 Ms. Bucy, DLI

01:52:58 Rep. McCarthy

01:53:09 Ms. Bucy, DLI

01:53:46 Rep. McCarthy

01:54:01 Ms. Bucy, DLI

01:54:58 Rep. Hollenbaugh

01:55:37 Rep. Osmundson

01:56:08 Ms. Wilkinson, LFD

**Opening Remarks:**

01:58:10 Rep. Osmundson

**Agency Comments:**

02:01:14 Brad Livingston, Brigadier General, Air National Guard, Department of Military Affairs (DMA)

02:03:02 Chair Ankney

**Public Comments:** None

**Questions by Committee Members:**

02:03:12 Rep. Mehlhoff  
02:03:52 Gen. Livingston, DMA  
02:05:01 Rep. Mehlhoff  
02:05:20 Gen. Livingston, DMA  
02:05:48 Rep. Gibson  
02:06:13 Rep. Osmundson  
02:06:19 Rep. Gibson  
02:06:27 Rep. Osmundson  
02:06:45 Rep. Brodehl  
02:07:14 Rep. Osmundson  
02:07:20 Rep. Noonan arrived.  
02:07:36 Ms. Wilkinson, LFD  
02:07:53 Rep. McCarthy  
02:08:28 Gen. Livingston, DMA  
02:09:09 Rep. Mehlhoff  
02:09:39 Chair Ankney  
  
02:10:08 Recessed.  
02:25:49 Reconvened with Rep. Hollenbaugh, Rep. Cuffe, Rep. Noonan, and Rep. Edmunds not present.

**Opening Remarks:**

02:25:50 Rep. Osmundson  
  
02:26:45 Rep. Cuffe arrived.  
02:26:51 Rep. Noonan arrived.  
02:28:27 Rep. Hollenbaugh arrived.

**Agency Comments:**

02:28:45 Adam Schafer, Deputy, Commissioner of Securities and Insurance (CSI)  
  
02:30:13 Rep. Edmunds arrived.

**Public Comments:** None**Questions by Committee Members:**

02:30:43 Rep. Hollenbaugh  
02:31:08 Mr. Schafer, CSI  
02:31:44 Rep. Gibson left.  
02:31:56 Dawn Harmon, IT Manager, CSI  
02:32:45 Rep. Hollenbaugh  
02:32:50 Ms. Harmon, CSI  
02:32:55 Rep. Hollenbaugh  
02:33:16 Ms. Harmon, CSI  
02:33:35 Rep. Osmundson  
02:33:49 Rep. Cook  
02:34:03 Ms. Harmon, CSI  
02:34:13 Rep. Cook  
02:34:16 Ms. Harmon, CSI

02:34:42 Rep. Cook  
02:35:03 Ms. Harmon, CSI  
02:35:06 Rep. Ballance  
02:35:25 Ms. Harmon, CSI  
02:35:28 Rep. Ballance  
02:35:32 Ms. Harmon, CSI  
02:35:35 Rep. Ballance  
02:35:38 Rep. Hollenbaugh  
02:36:03 Mr. Schafer, CSI  
02:36:22 Rep. Woods  
02:36:40 Mr. Schafer, CSI  
02:36:42 Rep. Gibson arrived.

**Opening Remarks:**

02:37:04 Rep. Osmundson

**Agency Comments:**

02:39:28 Amy Carlson, Director, Legislative Fiscal Division (LFD)  
02:40:33 Tori Hunthausen, Director, Legislative Audit Division (LAD)  
02:41:12 Susan Byorth Fox, Executive Director, Legislative Services Division (LSD)

**Public Comments:** None

**Questions by Committee Members:**

02:43:25 Rep. Hollenbaugh  
02:43:44 Ms. Fox, LSD  
02:45:28 Rep. Hollandsworth  
02:46:01 Ms. Fox, LSD  
02:47:14 Rep. Hollandsworth  
02:47:33 Ms. Fox, LSD  
02:48:10 Rep. Ballance  
02:48:57 Rep. Osmundson  
02:49:23 Rep. Ballance  
02:49:38 Cathy Duncan, Senior Fiscal Analyst, LFD  
02:51:10 Rep. Ballance  
02:51:12 Ms. Duncan, LFD

**Opening Remarks:**

02:52:08 Rep. Osmundson

**Agency Comments:**

02:53:32 Bob Nelson, Consumer Counsel, Legislative Consumer Counsel

**Public Comments:** None

**Questions by Committee Members:**

02:54:39 Rep. Noonan  
02:55:17 Mr. Nelson, Legislative Consumer Counsel  
02:55:20 Rep. Gibson  
02:55:35 Mr. Nelson, Legislative Consumer Counsel

02:56:04 Rep. Gibson  
02:56:09 Mr. Nelson, Legislative Consumer Counsel  
02:57:14 Rep. Ballance  
02:57:47 Mr. Nelson, Legislative Consumer Counsel  
02:59:14 Rep. Ballance  
02:59:19 Mr. Nelson, Legislative Consumer Counsel  
03:00:12 Rep. Hollenbaugh  
03:00:55 Mr. Nelson, Legislative Consumer Counsel  
03:01:25 Rep. Hollenbaugh  
03:01:39 Mr. Nelson, Legislative Consumer Counsel  
03:01:52 Rep. Hollenbaugh  
03:02:05 Mr. Nelson, Legislative Consumer Counsel  
03:02:19 Rep. Hollenbaugh  
03:02:37 Mr. Nelson, Legislative Consumer Counsel

**Opening Remarks:**

03:03:06 Rep. Osmundson

**Agency Comments:**

03:04:32 Amy Sassano, Deputy Budget Director, Office of Budget and Program Planning (OBPP)

**Public Comments:** None

**Questions by Committee Members:**

03:05:11 Rep. Ballance  
03:05:44 Rep. Osmundson  
03:05:49 Rep. Gibson and Rep. Cuffe left.  
03:05:56 Rep. Hollenbaugh  
03:06:10 Rep. Osmundson  
03:06:30 Rep. Hollenbaugh  
03:06:36 Ms. Sassano, OBPP  
03:07:18 Rep. Gibson arrived.

**Opening Remarks:**

03:07:43 Rep. Osmundson

03:10:19 Rep. Cuffe arrived.

**Agency Comments:**

03:10:25 Mike Kadas, Director, Department of Revenue (DOR)

**Public Comments:** None

**Questions by Committee Members:**

03:11:26 Rep. Ballance  
03:11:52 Mr. Kadas, DOR  
03:14:46 Rep. Hollenbaugh  
03:15:12 Mr. Kadas, DOR  
03:16:56 Rep. Hollenbaugh

03:17:05 Mr. Kadas, DOR  
03:18:39 Rep. Glimm  
03:18:55 Mr. Kadas, DOR  
03:19:20 Rep. Glimm  
03:19:43 Mr. Kadas, DOR  
03:20:00 Rep. Glimm  
03:20:23 Mr. Kadas, DOR  
03:21:14 Rep. Hollenbaugh left.  
03:21:25 Rep. Glimm  
03:21:39 Mr. Kadas, DOR  
03:21:55 Alan Puera, Deputy Director, Department of Revenue (DOR)  
03:24:01 Rep. Glimm  
03:24:14 Mr. Puera, DOR  
03:25:49 Rep. Hollandsworth  
03:27:36 Mr. Puera, DOR

**Closing Comments:**

03:28:21 Rep. Osmundson  
  
03:28:42 Rep. Gibson  
03:29:19 Rep. Osmundson  
03:29:44 Rep. Gibson  
03:29:47 Rep. Osmundson  
03:29:50 Rep. Gibson  
03:29:54 Rep. Osmundson  
03:30:35 Chair Ankney

**ADJOURNMENT**

Adjournment: 03:31:21

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Lisa Adams, Secretary

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Additional Documents:

**EXHIBIT([aph48aad.pdf](#))**