



LEGISLATIVE FINANCE COMMITTEE

63rd Montana Legislature

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

SENATE MEMBERS

LLEW JONES--Chair
MARY CAFERRO
RICK RIPLEY
JON SESSO
MITCH TROPILA
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DIANE MCDUFFIE, Secretary
AMY CARLSON, Director

MINUTES LOG

September 25-26, 2014
Room 102, State Capitol Building
Helena, Montana

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select *Committees*, then *Interim*. Once on the page for *Interim Committees*, scroll down to the appropriate committee. The written minutes summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page.

Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

COMMITTEE MEMBERS PRESENT

SEN. LLEW JONES, Chair
REP. GALEN HOLLENBAUGH, Vice Chair

SEN. MARY CAFERRO
SEN. JON SESSO
SEN. MITCH TROPILA
SEN. EDWARD WALKER

REP. DUANE ANKNEY
REP. ROB COOK
REP. KIMBERLY DUDIK
REP. STEVE GIBSON
REP. PAT NOONAN

COMMITTEE MEMBERS ABSENT

SEN. RICK RIPLEY

STAFF PRESENT

JULIE JOHNSON, Staff Attorney
DIANE MCDUFFIE, Secretary
AMY CARLSON, Director

AGENDA & VISITORS' LIST

Agenda, Attachment #1

Visitors' list, Attachment #2

CALL TO ORDER AND ROLL CALL

00:31:26 **Senator Jones** called the 229th meeting of the Legislative Finance Committee to order at 10:03 on September 25, 2014. The meeting was held in Hearing Room 102 of the State Capitol, Helena Montana. The secretary took roll. Attachment #3

APPROVAL OF MINUTES OF PREVIOUS MEETING

00:32:50 **MOTION: Rep. Hollenbaugh** moved to approve the minutes of June 5-6, 2014.
VOTE: Motion passed.

2015 BIENNIUM BUDGET UPDATE

00:33:43 Stephen Forrest, Fiscal Analyst, LFD discussed the general fund balance sheet on page 2 of the FY 2014 Fiscal Year End and 2015 Biennium Budget Update report (Exhibit 1). The \$426.5 FY 2014 general fund ending balance came in \$43.1 million higher than anticipated.

Revenue Analysis

00:37:35 Stephanie Morrison, Senior Fiscal Analyst, LFD discussed the revenue portion of the report. Actual FY 2014 general fund revenues were \$20.7 million or 1.0% ahead of the SJ 2 estimate.

00:47:27 Nick Brown, Fiscal Analyst, LFD discussed property tax revenue and oil and natural gas taxes. General fund property tax revenue was 2.1% or \$5.1 million above the SJ2. Oil and natural gas contributions have been fairly consistent.

00:49:46 Cynthia Hollimon, Fiscal Analyst, LFD discussed insurance tax revenues. FY 2014 insurance tax came in \$8.9 million or 17% above the official SJ 2 revenue estimate.

00:51:36 Sam Schaefer, Fiscal Analyst, LFD discussed vehicle taxes and fees and video gaming tax. Combined revenue collections from vehicle fees and taxes were 1.5% or \$1.6 million less than anticipated in SJ 2. Video gaming tax revenue in FY 2014 was \$2.8 million or 4.6% less than what was anticipated in SJ 2.

Expenditure Analysis

00:55:14 Robert Miller, Fiscal Analyst, LFD discussed appropriations for the Office of Public Instruction. The anticipated shortfall is now projected to be \$4.3 million.

00:57:12 Greg DeWitt, Senior Fiscal Analyst, LFD provided an update on appropriations for the Department of Corrections. The department experienced budget pressures in FY 2014 and transferred \$4.1 million from its FY 2015 biennial appropriation to cover a general fund shortfall in FY 2014. Mr. DeWitt also provided a follow up memo from Adrienne Slaughter addressing additional questions from committee members at the June LFC meeting. (Exhibit 1a)

01:10:48 Greg DeWitt, Senior Fiscal Analyst, LFD discussed expenditures for the Office of

the State Public Defender (OPD). OPD expended significantly more than the original budget provided by the legislature, as shown in the table on page 32 of the report. (Exhibit1) Funds from SB 410 were transferred to address higher than anticipated caseloads statewide.

COMMITTEE DISCUSSION

- 01:00:08 Rep. Gibson
- 01:04:22 Sen. Sesso
- 01:13:40 Rep. Hollenbaugh
- 01:15:03 Rep. Dudik
- 01:16:25 Sen. Jones
- 01:18:09 Rep. Hollenbaugh
- 01:19:23 Rep. Gibson
- 01:20:05 Rep. Dudik
- 01:22:20 Rep. Gibson
- 01:23:30 Sen. Tropila
- 01:25:28 Sen. Walker
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- 01:25:40 Roger Lloyd, Senior Fiscal Analyst, LFD discussed the recent legislative audit of the Department of Livestock and provided a follow up memo addressing where the deferred revenue was spent in FY 2012 and FY 2013 from brand fees. (Exhibit 2)
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- 01:35: Kris Wilkinson, Senior Fiscal Analyst, LFD provided a table summarizing the Governor's Uses of SB 410 as outlined in a letter from Director Villa to the committee. (Exhibits 3 & 3a) SB 410 funds were allocated in \$2million increments to the Department of Labor and Industry, Department of Corrections, and Department of Public Health and Human Services. An additional \$7.5 million was allocated to the Office of Budget and Program Planning to fund operational costs of the Executive Branch.
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- 01:48:21 Lois Steinbeck, Senior Fiscal Analyst, LFD discussed the appropriations for the Department of Public Health and Human Services (department). They reverted about \$54.0 million of their total appropriation. Because the department was able to eliminate the projected deficit without the use of additional available funds (such as SB 410 or the CHIPPA bonus), these funds are still available.
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- 01:52:45 Lois Steinbeck, Senior Fiscal Analyst, LFD presented and discussed the Medicaid Monitoring Report - Fiscal Year End 2014. (Exhibit 4) This report reviews fiscal year end data from the State Budgeting, Accounting, and Human Resources System and compares it to data reviewed by the LFC at its June meeting, original legislative appropriations for Medicaid services, and changes made to that appropriation authority.
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- 02:01:04 Scot Conrady, Fiscal Analyst, LFD discussed the Developmental Services Division expenditures (DSD). DSD had lower expenditures in Medicaid waiver services provided to developmentally disabled persons because expected transfers out of the Montana Developmental Center did not occur as projected; and federal guidance required DPHHS to change the way it selects persons to be

placed on the developmental disability waiver, temporarily delaying new enrollments.

COMMITTEE DISCUSSION

- 02:09:12 Sen. Tropila
02:10:29 Sen. Caferro
02:21:42 Rep. Noonan
02:30:10 Sen. Caferro
02:30:59 Rep. Noonan
02:32:32 Sen. Jones
- 02:37:08 Barbara Smith, Operations Manager, LFD provided an update on Suicide Mortality Review Team (SMRT)(Exhibit 5) This memo provides information received from Karl Rosston, Suicide prevention Coordinator. Staff has asked that the SMRT recommendations be forwarded to LFD staff at the completion of their work.
- 02:40:19 Barbara Smith, Operations Manager, LFD also presented the Provider Rate Increases memo. (Exhibit 6) This memo explains the process to implement provider rate increases, including the challenges and limitations.
- 02:55:25 Kris Wilkinson, Senior Fiscal Analyst, LFD presented the State Employee Group Benefits Plan. (Exhibit 7) The purpose of the memorandum is to provide the LFC with an update on the financial status of the plan and outline changes proposed for contributions, deductibles, and out of pocket amounts in calendar year 2015.
- 03:01:11 Sheila Hogan, Director, Department of Administration spoke about cost drivers and how they are lowering costs with the health centers and expanding services for occupational and behavioral health. They are also looking at provider contracting, bundling procedures, reimbursements and prescription services.
- 03:12:49 LUNCH

STATUS SHEET FOR THE 2015 SESSION

- 4:13:51 Stephen Forrest, Fiscal Analyst, LFD presented the Biennial Budget Comparison and bill draft LC0060. (Exhibit 8 & 8a) This report follows-up on analysis presented to the Legislative Finance Committee (LFC) in March 2014 on budget comparisons. LC0060 is a bill revising the methodology for budget comparisons.
- 04:22:42 Without objection from the committee, **Sen. Jones** appointed the Management Advisory Work Group to work on the bill draft with input from the committee. The bill will be brought to the December meeting for review.
- 04:23:03 Susie Lindsay, Fiscal Analyst, LFD presented a draft of the General Fund Status Sheet Rules. (Exhibit 9) The LFC sets the rules for the status sheet during session. Three items are different from the 2013 legislative session.
- 04:24:48 **Sen. Sesso** requested a mock up of the status sheet with the new rules, prior to the December meeting.

HJ 17PAY PLAN

04:28:56 Bonnie Shoemaker, DofA presented the Montana State Government's Pay Audit. (Exhibit 10) The State Human Resources conducted a pay audit for the executive branch of Montana state government. The division reviewed pay practices and pay rates for employees in the broadband and blue collar pay plans.

COMMITTEE DISCUSSION

04:43:40 Rep. Gibson
04:45:07 Rep. Cook
04:47:59 Rep. Gibson
04:49:42 Rep. Dudik
04:54:23 Sen. Walker

04:55:46 Anjenette Schafer, Division Administrator, State Human Resources Division, DofA gave an update on collecting exit data from employees throughout state government. The department has provided an updated exit interview guide to agencies.

05:02:17 Julie Johnson, Legislative Services Division provided a summary by section of LCLFC3 and a draft copy of LCLFC3. (Exhibit 11) LCLFC3 is a bill eliminating pay bands; requiring an employee's compensation to fall within the occupational wage range of the employee's occupation.

05:06:09 Rep. Gibson
05:08:36 Sen. Tropila
05:09:01 Rep. Dudik
05:13:44 Sen. Sesso
05:15:29 Rep. Gibson
05:16:23 Sen. Tropila
05:17:41 **Sen. Jones** appointed Sen. Tropila, Rep. Dudik, Rep. Gibson, and Sen. Ripley to review the bill draft and consider input from the committee and report at the December meeting.

PUBLIC COMMENT

05:26:02 Larry Nielsen MEA-MFT

HB 2 BUDGET RULE REVIEW FOR THE 2015 SESSION SUBCOMMITTEES

05:45:38 Barbara Smith, Operations Manager, LFD presented the Personal Services Analysis and a copy of the HB 2 boiler plate, HB 13, and a chart illustrating methodology examples. (Exhibit 12, 12a, 2b, & 12c) This report discusses the personal services amounts and a potential process for subcommittee action.

COMMITTEE DISCUSSION

05:56:53 Sen. Jones
05:58:12 Sen. Caferro
06:00:02 Sen. Tropila
06:01:01 Rep. Gibson
06:03:08 Sen. Tropila
06:04:51 Rep. Ankney

- 06:06:08 Sen. Walker
- 06:07:55 Kris Wilkinson, Senior Fiscal Analyst, LFD provided an update on inflation/deflation and fixed costs as they relate to the global recommendations. Action in December will be to either approve or make changes.
- 06:09:57 Cathy Duncan, Senior Fiscal Analyst, LFD discussed how information will be provided for major IT projects in HB 10. Members of the Long-Range subcommittee requested State Information Technology Service Division (SITSD), the Office of Budget and Program Planning (OBPP) and LFD staff work together on a plan for better provision of information related to these projects. Ms. Duncan asked the LFC input and/or comments and if this meets their goal.
- 06:12:34 Ron Baldwin, State CIO, said the objective is to provide the legislature with justification and alternatives, cost of implementation and, ongoing costs to operate in the future. Mr. Baldwin presented the proposed template that was modeled after information collected in the MBARS IT module. (Exhibit 13)
- 06:15:35 Tammy LaVigne, Chief Intergovernmental Relations Officer, SITSD explained how the template would be used. The document has been proposed to be included in the Governor's executive budget book.

PUBLIC COMMENT

- 06:25:56 Rose Hughes, Montana Health Care Association (Exhibit 14)

RECESS

- 06:35:19 The committee will reconvene on Friday, at 8:00 a.m.

Friday, September 26, 2014

COMMITTEE MEMBERS PRESENT

SEN. LLEW JONES, Chair
 REP. GALEN HOLLENBAUGH, Vice Chair

SEN. MARY CAFERRO
 SEN. JON SESSO
 SEN. MITCH TROPILA
 SEN. EDWARD WALKER

REP. DUANE ANKNEY
 REP. ROB COOK
 REP. KIMBERLY DUDIK
 REP. STEVE GIBSON
 REP. PAT NOONAN

COMMITTEE MEMBERS ABSENT

SEN. RICK RIPLEY

STAFF PRESENT

JULIE JOHNSON, Staff Attorney
 DIANE MCDUFFIE, Secretary
 AMY CARLSON, Director

00:01:15 The 229th meeting of the Legislative Finance Committee reconvened at 8:05 a.m. on Friday, September 26, 2014. The meeting was held in Hearing Room 102 of the State Capitol, Helena Montana. The secretary took roll.

REQUIRED REPORTS

00:02:07 Taryn Purdy, Principal Fiscal Analyst, Legislative Fiscal Division (LFD) presented the Required Reports. (Exhibit 15) The purpose of this memo is to provide an overview of required reports. In addition to the ongoing operating plan changes and program transfers, a number of reports are due to either the Legislative Finance Committee (LFC) or the LFD prior to the September LFC meeting, primarily dealing with fiscal yearend (FYE) issues.

00:09:46 Kris Wilkinson, Senior Fiscal Analyst, LFD presented the Budget Amendments Report. (Exhibit 16) Staff has reviewed the amendments and has raised no concerns with any amendment meeting statutory criteria.

00:11:51 Kris Wilkinson, Senior Fiscal Analyst, LFD presented the Budget Amendment Statutes report. Also included in the committee notebooks is a copy of 17-7-102, MCA. (Exhibit 17 & 17a) This report provides follow up on: 1) results of staff review of statutes and potential legislative options for clarification of current statutes; 2) OBPP comments and discussion related to language clarification on budget amendment statutes; and 3) review of the budget amendment for the expansion of the Blackleaf Wildlife Management Area.

COMMITTEE DISCUSSION

00:17:28 Sen. Jones

00:19:43 Rep. Cook

00:21:14 Sen. Jones

00:22:39 Stephanie Morrison, Senior Fiscal Analyst, LFD presented the Recent Years' Estimating Error report. (Exhibit 18) This memo is in response to a request made at the June LFC meeting for an analysis of recent years' general fund revenue estimating error.

00:36:57 Sam Schaefer, Fiscal Analyst, LFD presented Corporation Income Tax Estimating: Using Confidence Intervals To Minimize Forecasting Error report. (Exhibit 19) The research detailed in this report seeks to minimize the error associated with corporation tax forecasts compared to actual collections as well as provide a measure of confidence associated with the magnitude of this error.

MMIS Subcommittee Update

01:02:01 Sen. Caferro, Chair, MMIS Subcommittee provided an update on the activities of the subcommittee. The Department of Public Health and Human Services gave an update at the August meeting on the outcome of the breach of contract.

01:03:33 Julie Johnson, Legal Services Office, LSD presented a memo on the MMIS Contract Amendment. (Exhibit 20) The LFC requested Ms. Johnson to review the contract amendment between the Department of Public Health and Human Services and Xerox regarding liability and sub contracting.

01:08:05 Ron Baldwin, State CIO, commented on the MMIS contract. The department believes the contract helps Montana move forward with the MMIS project without costing more money and the liquidated damages that occurred have not been collected nor have they been forgiven.

COMMITTEE DISCUSSION

01:11:32 Rep. Hollenbaugh
01:12:53 Sen. Caferro
01:16:24 Sen. Sesso
01:20:50 Sen. Tropila

BREAK

01:35:25 **MOTION: Sen. Caferro** moved the following Resolution on behalf of Sen. Ripley: "A RESOLUTION OF THE LEGISLATIVE FINANCE COMMITTEE OF THE MONTANA LEGISLATURE PROVIDING FOR A VOTE OF NO CONFIDENCE IN XEROX CORPORATION'S ABILITY TO DELIVER THE MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS) ON TIME AND ON BUDGET: (Exhibit 21)

COMMITTEE DISCUSSION

01:37:09 Rep. Gibson
01:38:12 Sen. Caferro
01:38:49 Rep. Gibson
01:39:51 Rep. Caferro
01:42:35 Sen. Tropila
01:48:34 Sen. Walker
01:52:37 Sen. Jones
01:53:39 **MOTION: Sen. Sesso** moved to amend the resolution to read as follows: "... is projected to cost the State Montana more to complete and is 27 months behind schedule;" "... delays will cost the State and its taxpayers millions of dollars, while pushing the implementation date out 27 months. **VOTE:** Motion carried.

01:56:33 **MOTION: Sen. Caferro** moved the resolution of no confidence as amended. **VOTE:** Motion carried unanimous. Sen. Ripley voted yes by proxy.

01:59:02 Ron Baldwin, State CIO, discussed the CIO Policy Report. (Exhibit 22) At this time, there are three exception requests that have been granted.

02:01:02 Scot Conrady, Fiscal Analyst, LFD presented a paper on the Department of Justice Motor Vehicle Division explanation of differences between MERLIN Driver Modernization, the IT Project Cost and Development Tracking, and the IT Project Portfolio. (Exhibits 23, 23a, & 23b) Also included in the committee notebooks are the supplemental reports and post implementation reports. (Exhibits 24 & 24a)

02:06:31 Libbi Lovshin, Administration, Dept. of Agriculture, reported on the status of the Agriculture Licensing System. Ms. Lovshin said the project was more complex

than the vendor originally estimated, even though the general requirements were clearly stated in the contract. The estimated timeframe for project completion is more than 1 year behind schedule.

- 02:22:39 Barbara Smith, Operations Manager, LFD discussed the status of the IBARS system. The system is shared with the Office of Budget and Program Planning (OBPP) and Department of Administration provides support.
- 02:23:02 Amy Sassano, Office of Budget and Program Planning, gave an update from the budget office. The data conversion has been completed from the budget submitted by agencies in MBARS to IBARS. As expected, issues have been found and the contractor has been responsive. The budget will be submitted on time using the IBARS system.
- 02:27:04 Barbara Smith, Operations Manager, LFD provided an update on IBARS from the perspective of the LFD. We are focusing on data extracts. There will be extra work in making sure the narrative portion from MBARS gets into IBARS. Staff will be introduced to the system next week.
- 02:28:10 Stuart Fuller, CIO, Department of Public Health and Human Services provided an update on the healthcare facility licensing system. The project is on hold at this time based on the needs of the department. The implementation schedule is currently being updated.

CIO Legislation

- 02:32:35 Ron Baldwin, State CIO, discussed current statute and said he has proposed legislative changes to Title 2, Chapter 17 for the 2015 session.
- 02:37:06 Ron Baldwin, State CIO provided the Montana State Information Technology Expenditures report. (Exhibit 25) The purpose of this report was to gather information relative to Montana's IT expenditures. The objectives of this report are; produce statistics relative to Montana's overall IT expenditure, make IT financial comparisons to peer states; and develop insights on the IT economic and infrastructure differences between Montana and peer states.

COMMITTEE DISCUSSION

- 02:47:18 Sen. Sesso
- 02:50:45 Sen. Jones
- 03:00:25 Rep. Gibson
- 03:01:22 Sen. Walker
- 03:03:11 Rep. Gibson
- 03:05:38 Sen. Jones
- 03:08:46 Rep. Gibson
- 03:11:02 Rep. Ankney
- 03:11:45 Sen. Walker
- 03:15:31 Sen. Sesso
- 03:20:54 Rep. Gibson
- 03:21:53 Sen. Tropila
- 03:24:10 Sen. Jones

03:26:51 Kris Wilkinson, Senior Fiscal Analyst, LFD presented LFD Options for Analysis of State IT Costs. (Exhibit 26) The purpose of this report is to provide the Legislative Finance Committee with potential issues of the methodology used to prepare the Montana Information Technology Expenditures report, and options for further work on IT expenditures by the Legislative Fiscal Division.

COMMITTEE DISCUSSION

03:33:24 Rep. Ankney
03:34:50 Sen. Sesso
03:37:17 Sen. Jones
03:39:01 Sen. Tropila

PUBLIC COMMENT

03:41:46 Kyle Hilmer, Author, Montana Information Technology Expenditures (Exhibit 25)

PENSIONS

03:43:22 Sheri Scurr, Legislative Research Analyst, LSD presented an update on SAVA's Pension Oversight Activities. (Exhibit 27) The committee is working on a bill to revise contributions in the Public Employees' Retirement System (PERS) and address the allocation of employer contributions in the PERS Defined Contribution (DC) plan and the University System Retirement Program.

03:53:05 Julie Johnson, Legal Services, LSD gave an update on the pension lawsuits. The PERS lawsuit has a four day bench trial scheduled in February 2015. There is an upcoming deadline for motions for summary judgement if summary judgement is granted for either party then there would not be a trial and would directly appeal to the Montana Supreme Court. If summary judgement is not granted, there will be a settlement conference before the trial. The TRS lawsuit has a 3 day bench trial scheduled in March.

05:01:28 Shawn Graham, Executive Director, Montana Teachers' Retirement System (TRS) provided the TRS Valuation Results. (Exhibit 28) A full report can be found at www.trs.mt.gov.

INFRASTRUCTURE SECTION

05:23:25 Cheryl Grey, Administrator, State Financial Services Division, Department of Administration gave an overview of projects that affect local government services. In an effort to increase accountability and transparency the department is implementing a system that will allow local governments to submit reports on the internet and the public will be able to access those reports, which would include budgets for cities, towns and counties, annual financial reports, and audits.

05:28:00 Dave Awning, American Society of Civil Engineers presented the ASCE 2014 Report Card for Infrastructure. (Exhibit 29) The report provides and overview of the report card process, current status and next steps; Montana specific information; and release details.

05:37:00 Tom O'Connell, State Architect, DOA discussed the history of the State Master

Plan. Mr. O'Connell provided two visuals that summarized a number of the master plan recommendations.

05:52:34 Cathy Duncan, Senior Fiscal Analyst, LFD presented th Long-Range Building Program (LRBP) Project Status. (Exhibit 30) The LRBP provides the vehicle to fund and administer major repairs, maintenance, and construction of state buildings. The table on page 2 of the report provides the status of the LRBP project, as authorized in HB 5 by the 63rd Legislature.

COMMITTEE DISCUSSION

06:02:33 Rep. Cook
06:03:53 Rep. Gibson
06:09:30 Sen. Tropila
06:10:41 Sen. Sesso

MONTANA STATE FUND

06:14:13 Scot Conrady, Fiscal Analyst, LFD presented the Montana State Fund Budget Analysis. (Exhibit 31) This report compares this year's MSF Board of Director's approved budget information from FY 2014. Budgets are compared year to year to show any significant changes in programs and associated costs. Also included in the committee notebooks is the Montana State Fund Fiscal Year 2015 Annual Budget Request, and the Old Fund Fiscal Year 2015 Funding Estimate. (Exhibit 31a & 31b)

06:25:16 Mark Barry, CFO, Montana State Fund concurred with Mr. Conrady's report and commented on the variation of actuarial estimates during the Economic Affairs Interim Committee.

COMMITTEE BUSINESS

06:26:36 Amy Carlson, Director presented the budget submission for the Legislative Fiscal Division. (Exhibit 32) The recommendation has been presented in draft form to the Legislative Council which has approved this temporary budget contingent on the approval of the Legislative Finance Committee.

06:27:52 **MOTION: Rep. Cook** moved the budget submission as presented. **VOTE:** Motion passed unanimously. Sen. Ripley voted yes by proxy.

06:28:51 Ms. Carlson presented a 20 year longevity pin to Barbara Smith and a 30 year longevity pin to Taryn Purdy. The committee thanked them both for their service to the State of Montana.

06:31:49 Sen. Jones commented on the NCSL Summit in Minneapolis.

06:32:58 Rep. Cook reported on the TANF subcommittee. They will meet again October 13. Sen. Caferro discussed the federal requirements that impede peoples progress from moving out of poverty and how to abide by the rules and have more programmatic flexibility.

06:34:12 Amy Carlson, Director presented a letter from Sen. Bruce Tutvedt on behalf of

the Economic Affairs Interim Committee. (Exhibit 33) The letter discusses concerns related to the Veterinary Diagnostic Laboratory and Wildlife located on the Montana State University campus in Bozeman.

- 06:34:42 Ms. Carlson provided a recap of the agenda for the December 2 meeting.
- 06:36:42 **MOTION: Rep. Cook** moved a budget amendment revision bill draft for the December meeting. **VOTE:** Motion passed. Sen. Ripley voted yes by proxy.
- 06:39:09 **MOTION: Rep. Cook** moved a biennial comparison bill draft for the December meeting. **VOTE:** Motion passed. Sen. Ripley voted yes by proxy.
- 06:40:31 **MOTION: Rep. Dudik** moved a committee bill draft to create a separate office of children's legal services. **VOTE:** Motion passed.
- 06:44:25 Ms. Carlson commented that staff will work to better understand the nursing home care rates and a memo will be sent to the committee clarifying the differences between the two approaches.

ADJOURNMENT

With no further business, meeting adjourned at 2:55 p.m. The next meeting of the Legislative Finance Committee will be December 2, 2014.

Senator Llew Jones, Chairman

Diane McDuffie, Secretary
