

**SENATE JOURNAL
66TH LEGISLATURE
NINETEENTH LEGISLATIVE DAY**

Helena, Montana
January 31, 2019

Senate Chambers
State Capitol

Senate convened at 1:00 p.m. President Sales presiding. Invocation by Senator Welborn. Pledge of Allegiance to the Flag.

Roll Call. Forty-nine members present, Senator Sesso excused. Quorum present.

BILLS AND JOURNALS (Keenan, Chair): 1/31/2019
Correctly printed: **SB 4, SB 45, SB 68, SB 99, SB 115, SB 117, SB 157, SB 159, SB 177, SB 182, SB 192, SB 193, SB 194, SB 195, SB 196, SB 197, SJ 8, SJ 9, SR 13, HB 46, HB 60, HB 62, HB 89, HB 117.**
Correctly engrossed: **SB 161.**
Examined by the sponsor and found to be correct: **SB 62.**
Transmitted to the House: **SB 20, SB 92, SB 98, SB 101, SB 119.**

REPORTS OF STANDING COMMITTEES

EDUCATION AND CULTURAL RESOURCES (Salomon, Chair): 1/30/2019
SB 12, do pass.

LOCAL GOVERNMENT (Lang, Chair): 1/30/2019
SB 161, introduced bill, be amended as follows:

1. Page 1, line 17.
Strike: "and"

2. Page 1, line 19.
Following: "district"
Insert: "; and

(3) the person runs unopposed for the board of directors of a water and sewer district position and the board of trustees of a rural fire district position. For the purposes of this subsection, "unopposed" means the number of candidates for each board of directors or board of trustees is equal to or less than the number of positions available on each respective board"

And, as amended, do pass.

SB 163, do pass.

Without objection, committee reports were adopted.

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

MESSAGES FROM THE OTHER HOUSE

House bills passed and transmitted to the Senate for concurrence:

1/30/2019

HB 19, introduced by S. Stewart Peregoy

HB 29, introduced by T. Manzella

HB 38, introduced by D. Loge

HB 51, introduced by J. Bachmeier

HB 59, introduced by R. Lynch

HB 64, introduced by B. Grubbs

HB 66, introduced by T. Moore

HB 69, introduced by K. Kelker

HB 74, introduced by S. Vinton

HB 102, introduced by G. Pierson

HB 107, introduced by S. Morigeau

HB 126, introduced by G. Custer

HB 137, introduced by K. Dudik

HB 151, introduced by R. Fitzgerald

HB 159, introduced by B. Grubbs

FIRST READING AND COMMITMENT OF BILLS

The following Senate bill was introduced, read first time, and referred to committee:

SB 198, introduced by J. Ellsworth, S. Hinebauch, referred to Local Government.

The following Senate resolutions were introduced, read first time, and referred to committees:

SR 21, introduced by B. Hoven, referred to Agriculture, Livestock and Irrigation.

SR 22, introduced by B. Hoven, referred to Agriculture, Livestock and Irrigation.

SR 23, introduced by J. Welborn, referred to Natural Resources.

SR 24, introduced by J. Welborn, referred to Natural Resources.

The following House bills were introduced, read first time, and referred to committees:

HB 29, introduced by T. Manzella (by request of the Environmental Quality Council), referred to Fish and Game.

HB 38, introduced by D. Loge (by request of the Department of Transportation), referred to Highways and Transportation.

HB 51, introduced by J. Bachmeier (by request of the Department of Agriculture), referred to Agriculture, Livestock and Irrigation.

HB 59, introduced by R. Lynch (by request of the Economic Affairs Interim Committee), referred to Business, Labor, and Economic Affairs.

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

HB 64, introduced by B. Grubbs (by request of the State Auditor), referred to Business, Labor, and Economic Affairs.

HB 66, introduced by T. Moore (by request of the State Auditor), referred to Business, Labor, and Economic Affairs.

HB 69, introduced by K. Kelker (by request of the Children, Families, Health, and Human Services Interim Committee), referred to Public Health, Welfare and Safety.

HB 74, introduced by S. Vinton (by request of the State Auditor), referred to Business, Labor, and Economic Affairs.

HB 102, introduced by G. Pierson (by request of the Department of Agriculture), referred to Agriculture, Livestock and Irrigation.

HB 107, introduced by S. Morigeau (by request of the Department of Administration), referred to Business, Labor, and Economic Affairs.

HB 126, introduced by G. Custer, referred to State Administration.

HB 137, introduced by K. Dudik, Z. Brown, K. Kelker, G. Pierson, V. Ricci, D. Sands, referred to State Administration.

HB 151, introduced by R. Fitzgerald, referred to Agriculture, Livestock and Irrigation.

HB 159, introduced by B. Grubbs, F. Anderson, D. Bedey, M. Blasdel, Z. Brown, N. Duram, R. Fitzgerald, J. Fuller, W. Galt, D. Hayman, G. Hertz, M. Hopkins, L. Jones, J. Karjala, J. Kassmier, J. Keane, K. Kelker, W. McKamey, F. Thomas, B. Tschida, T. Welch, referred to Finance and Claims.

The following House Bill was introduced and read first time:

HB 19, introduced by S. Stewart Peregoy, Dudik (by request of the Economic Affairs Interim Committee).

**SECOND READING OF BILLS
(COMMITTEE OF THE WHOLE)**

Majority Leader Thomas moved the Senate resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Senator Malek in the chair.

Mr. President: We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

SB 60 - Senator Salomon moved **SB 60** do pass.

SB 60 - Senator Small moved **SB 60**, second reading copy, be amended as follows:

1. Title, page 1, line 10.

Strike: "REPEALING" through "PROGRAM;"

2. Title, page 1, line 13.

Following: "20-26-604,"

Insert: "AND"

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

Strike: "20-26-621" through "20-26-623,"

3. Page 10.

Strike: line 2 through line 4 in their entirety

Amendment **adopted** as follows:

Yeas: Ankney, Barrett, Bennett, Bogner, Boland, Brown, Cohenour, Ellis, Ellsworth, Esp, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Hoven, Howard, Jacobson, Kary, Keenan, MacDonald, Malek, McClafferty, McConnell, McNally, Olszewski, Osmundson, Phillips, Pomnichowski, Richmond, Salomon, Sands, Small, Smith C, Smith F, Tempel, Thomas, Vance, Vuckovich, Webber, Welborn.

Total 41

Nays: Blasdel, Cuffe, Fielder, Hinebauch, Lang, Mr President, Regier, Webb.

Total 8

Paired: None.

Excused: Sesso.

Total 1

Absent or not voting: None.

Total 0

SB 60 - As amended, passed as follows:

Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Boland, Brown, Cohenour, Cuffe, Ellis, Esp, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Hoven, Jacobson, Kary, Lang, MacDonald, Malek, McClafferty, McConnell, McNally, Mr President, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Small, Smith C, Smith F, Tempel, Thomas, Vance, Vuckovich, Webb, Webber, Welborn.

Total 44

Nays: Ellsworth, Fielder, Hinebauch, Howard, Keenan.

Total 5

Paired: None.

Excused: Sesso.

Total 1

Absent or not voting: None.

Total 0

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

SB 23 - Senator K. Regier moved **SB 23** do pass. Motion carried as follows:

Yeas: Ankney, Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Fitzpatrick, Gauthier, Gillespie, Hinebauch, Hoven, Howard, Kary, Keenan, Lang, Mr President, Olszewski, Osmundson, Phillips, Regier, Richmond, Salomon, Small, Smith C, Thomas, Vance, Webb, Welborn.

Total 30

Nays: Barrett, Bennett, Boland, Cohenour, Ellis, Flowers, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Pomnichowski, Sands, Smith F, Tempel, Vuckovich, Webber.

Total 19

Paired: None.

Excused: Sesso.

Total 1

Absent or not voting: None.

Total 0

SB 126 - Senator Thomas moved **SB 126** do pass. Motion carried as follows:

Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fielder, Fitzpatrick, Flowers, Gauthier, Gillespie, Hinebauch, Hoven, Howard, Kary, Keenan, Lang, McNally, Mr President, Olszewski, Osmundson, Phillips, Regier, Richmond, Salomon, Sands, Small, Smith C, Tempel, Thomas, Vance, Webb, Welborn.

Total 36

Nays: Boland, Cohenour, Ellis, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, Pomnichowski, Smith F, Vuckovich, Webber.

Total 13

Paired: None.

Excused: Sesso.

Total 1

Absent or not voting: None.

Total 0

Majority Leader Thomas moved the committee **rise and report**. Motion carried. Committee arose. Senate resumed. President Sales presiding.

Senator Malek moved the Committee of the Whole report be adopted. Report adopted as follows:

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Boland, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fielder, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McConnell, McNally, Mr President, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Small, Smith C, Smith F, Tempel, Thomas, Vance, Vuckovich, Webb, Webber, Welborn.

Total 49

Nays: None.

Total 0

Paired: None.

Excused: Sesso.

Total 1

Absent or not voting: None.

Total 0

MOTIONS

Majority Leader Thomas moved that **SB 60**, heard on second reading this date, be re-referred to the Finance and Claims Committee. Without objection, so ordered.

THIRD READING OF BILLS

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

SB 4 passed as follows:

Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Boland, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fielder, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McConnell, McNally, Mr President, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Small, Smith C, Smith F, Tempel, Thomas, Vance, Vuckovich, Webb, Webber, Welborn.

Total 49

Nays: None.

Total 0

Paired: None.

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

Excused: Sesso.

Total 1

Absent or not voting: None.

Total 0

SB 45 passed as follows:

Yeas: Ankney, Barrett, Bennett, Bogner, Boland, Cohenour, Ellis, Ellsworth, Flowers, Gauthier, Gillespie, Gross, Hoven, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Olszewski, Phillips, Pomnichowski, Richmond, Salomon, Sands, Smith F, Vuckovich, Webber, Welborn.

Total 29

Nays: Blasdel, Brown, Cuffe, Esp, Fielder, Fitzpatrick, Hinebauch, Howard, Kary, Keenan, Lang, Mr President, Osmundson, Regier, Small, Smith C, Tempel, Thomas, Vance, Webb.

Total 20

Paired: None.

Excused: Sesso.

Total 1

Absent or not voting: None.

Total 0

SB 68 passed as follows:

Yeas: Ankney, Bennett, Blasdel, Bogner, Boland, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fielder, Fitzpatrick, Flowers, Gauthier, Gillespie, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, MacDonald, Malek, McConnell, McNally, Mr President, Olszewski, Osmundson, Regier, Richmond, Salomon, Sands, Small, Smith C, Tempel, Thomas, Vance, Vuckovich, Webb, Webber, Welborn.

Total 43

Nays: Barrett, Gross, McClafferty, Phillips, Pomnichowski, Smith F.

Total 6

Paired: None.

Excused: Sesso.

Total 1

Absent or not voting: None.

Total 0

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

SB 115 passed as follows:

Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Boland, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fielder, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McConnell, McNally, Mr President, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Small, Smith C, Smith F, Tempel, Thomas, Vance, Vuckovich, Webb, Webber, Welborn.

Total 49

Nays: None.

Total 0

Paired: None.

Excused: Sesso.

Total 1

Absent or not voting: None.

Total 0

HB 60 concurred in as follows:

Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Boland, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fielder, Fitzpatrick, Flowers, Gauthier, Gillespie, Gross, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McConnell, McNally, Mr President, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Small, Smith C, Smith F, Tempel, Thomas, Vance, Vuckovich, Webb, Webber, Welborn.

Total 49

Nays: None.

Total 0

Paired: None.

Excused: Sesso.

Total 1

Absent or not voting: None.

Total 0

MOTIONS

Majority Leader Thomas moved that **SB 175** be taken from the State Administration Committee

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

and re-referred to the Highways and Transportation Committee. Without objection, so ordered.

ANNOUNCEMENTS

President Sales announced the Senate would meet in session on Saturday, February 2, 2019.

Committee meetings were announced by the committee chairs.

Majority Leader Thomas moved the Senate recess until 6:45 p.m. and reconvene at that time for the State of the State address. Motion carried.

Senate recessed at 1:42 p.m.

President Sales called the Senate back to order at 6:45 p.m.

MOTIONS

Majority Leader Thomas moved the Senate recess and proceed to the House of Representatives to meet in joint session to receive the Governor's State of the State Address. Upon adjournment of the joint session, the Senate will be adjourned until the hour of 1:00 p.m., Friday, February 1, 2019. Motion carried.

THE SENATE IN JOINT SESSION WITH THE HOUSE OF REPRESENTATIVES

Members of the Senate were admitted into the House chamber by Sergeant-at-Arms Murfitt. President Sales assumed the chair.

MOTIONS

Majority Leader Thomas moved the Senate and House of Representatives resolve into a joint session for the purpose of receiving the State of the State Address from the Honorable Steve Bullock, Governor of the State of Montana. Motion carried.

Majority Leader Thomas moved the President be authorized to appoint a committee of four to notify Governor Bullock that the Senate and House of Representatives are in joint session and ready to receive his address. Without objection, President Sales appointed Senators Barrett and Gauthier and Representatives Bessette and Ricci as the committee to escort Governor Bullock into the chambers.

Colors were posted by the members of the Montana Joint Forces Headquarters Color Guard.

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

National anthem by the Helena Youth Chorus. Invocation by Father Tom Haffey; Tribal Prayer by Jason Smith, Director of the Governor's Office of Indian Affairs.

Sergeant-at-Arms Spencer admitted Governor Bullock into the House chambers where he presented the following address:

Montana Governor Steve Bullock
2019 State of the State Address
Thursday, January 31, 2019

Mr. President, Mr. Speaker, Members of the 66th Legislature; Lt. Governor Mike Cooney, honored members of the judiciary, other elected officials and tribal leaders; members of the cabinet and my coworkers; my beloved wife Lisa, and our three kids - Caroline, Alex, and Cameron; and my fellow Montanans.

Thank you for the honor of inviting me into the People's House for my fourth, and final, State of the State address. As has been the case each of the previous times, it is a humbling privilege to stand before you as Montana's 24th governor.

Six years ago, I stood at this very spot and introduced myself by saying, "My name is Steve, and I work for the State." I told you I would work hard every day, guided by my values, to protect the state that gave me the opportunity in life to go from delivering newspapers to the governor's house as a child, to living and raising our three children in it.

The sounds in the Bullock household have changed over those six years. The sounds of young children laughing and playing have turned into silent eyerolls and exasperated sighs of embarrassment, as those three children have grown into teenagers. While my Dad jokes are awesome... apparently being governor is no longer as cool as it used to be.

Though the household sounds may have changed, they are still a constant reminder to me of the reason I show up for work each day. My family has always shaped my perspective in public office. Because as a father I want my kids, and all Montana kids, to have every opportunity I had growing up here and more.

Six years after our family moved into the governor's residence, six years after I first had the honor of standing before this body, I am pleased to report the state of our state is stronger than ever.

The first time I stood at this rostrum in 2013 I spoke of all the work we had to do, and also of the tremendous opportunities that lie ahead.

At that time, our unemployment rate was 5.6%. Now it's at its lowest in a decade, at 3.7%. More people are working than ever before in our state's history. We've added almost 34,000 private sector jobs since January 2013, while we have fewer state employees today than when I took

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

office.

And real wages are on the rise. Today, the average Montana worker earns 108 dollars more each and every week than they did six years ago. That's real money.

Families are climbing the ladder of opportunity to the middle class. Montana's middle-class households grew more than any other state between 2013 and 2016. In 2017 our median household income grew nearly two and a half times the national average, at the fastest rate in the country.

Business is booming, and it's no surprise. Since 2013 we've repealed or revised hundreds of regulations and removed red tape. We cut the business equipment tax for every Montana business, and eliminated it for other businesses operating in the state.

We see Montana's economic success directly in our communities. Fifteen months ago, we began working with ClassPass, a fitness tech startup, as they were deciding among 29 states where to expand their New York and San Francisco operations. They chose Missoula, Montana.

Originally planning to hire 50 people, we recently celebrated the hiring of their 100th. And the CEO tells me they plan to hire another hundred in Montana this year.

This economic success is not just confined to the urban areas. We see it in our rural communities as well. Ticketprinting.com has 100,000 customers, and is the leading company in the world for event and raffle ticket printing, and it has a customer service team that works remotely from places like Columbus, Big Timber, and the suburbs of Two Dot.

We see it on our Native American reservations. In the past six years we've made it easier for businesses located within our tribal nations to work with customers and businesses across our state. And we have funded nearly 120 businesses that have created or retained 220 jobs through the Indian Equity Fund.

We also see it on our farms and in our forests. We rank near the top in barley, wheat and organic production, and lead the nation in pulse crops, doubling the acreage since 2013. Because of the Forests in Focus program, we produced nearly 200 million board feet of timber in the last 4 years, retaining over 3,000 jobs in the forests products sector, and are now working across landscapes, state, federal, tribal and private.

We see that economic success in our outdoors. Our clean air, clean water and public lands are our way of life and a key economic driver. Our outdoor economy generates over 7 billion dollars a year in consumer spending and sustains 71,000 jobs.

And we see it in our vibrant towns. Since my time in office, we've helped over 15,000 small businesses expand their footprint through economic development tools created under Governor Racicot. These programs have supported more than 12,000 jobs and are up for renewal this year. I encourage you to continue and strengthen this legacy...for our small businesses, and for

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

the long-term strength of our economy.

Montana has extraordinary economic strengths. The fabric of our communities - our schools, our families, our outdoors, our Main Streets - contribute to our unparalleled quality of life. Together, we can do more to ensure all our cities and towns make up the best state to live, work, start a business and raise a family.

The most important investments we make as public servants will impact Montana long after we have completed our time in office. Foremost among them is ensuring that our kids, students and workers have a world-class education.

Public education is one of our state's great equalizers. I would not be standing here today if it wasn't for our state's public schools. No matter who you are, where you come from, or what your background is, our schools open the doors of opportunity to all Montanans.

When I first stood at this rostrum in 2013, I said that we not only needed better jobs, but better schools too.

At that time, just 2500 students were taking dual enrollment classes. Today, more than 6,000 high school students are taking college classes, saving Montana families 5 million in tuition each year. And this past fall, with the assistance of the University System, I launched the "1-2-Free" Dual Enrollment Program so that high school students can take their first two college classes without paying a single penny in tuition.

Back in 2013, less than three-quarters of school districts had access to high-speed internet. Today 98% of districts are connected to high-speed internet, at less than half the cost. Teachers are using 21st century technology to prepare students in an increasingly technology-driven society.

In 2013, Breakfast After the Bell was almost unheard of, and over 20% of kids across Montana were considered to be food insecure. Since then, over one-third more income eligible students are getting school breakfast. And we joined with private sector partners in expanding Breakfast After the Bell to well over 100 new schools.

I want to thank those partners, and my wife Lisa, for all your efforts to end childhood hunger.

In 2013, not a single one of our two-year or tribal colleges was offering apprenticeships with on-the-job training to connect students to good-paying jobs. We now have apprenticeship coursework in seven out of ten two-year colleges, and in five of seven tribal colleges. And for our veterans, we've expanded opportunities to get college credit for prior learning gained through their military service.

In 2013, states around the country were slashing university budgets and saddling students with steep tuition increases. Instead, we have increased investments in higher education while

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

freezing college tuition four of the last six years; leading to Montana having the fourth lowest tuition and fees in the nation.

We have worked together - across the aisle, across rural and urban, and in partnership with communities, school districts and the University System - to make record investments in our educational system, offering students the tools they need to succeed.

Let's build upon the progress we've made, starting with our youngest learners. Last session, lawmakers from both sides of the aisle worked to provide 6 million dollars to establish the STARS Preschool Pilot.

Part of the premise behind the pilot was to learn whether this would work in our smaller communities. Until Wibaux had a STARS Preschool option, even the closest childcare provider was 30 miles away. In Lewistown, I met a woman who told me she made too much money to qualify for Head Start but couldn't afford to have her son in the kind of quality program that would give him a great start. If it weren't for STARS Preschool, she'd have to drop out of the workforce to take care of her children.

In the first year of the pilot - 17 programs serving our largest towns like the Head Start in Billings to some of our smallest like Troy Public Schools - 93% of the participating preschoolers walked out ready for kindergarten. And we know - not just from Montana's experience but from the other 44 states prioritizing publicly funded preschool - that for every dollar invested there is a seven-dollar return, in reduced criminal justice and social services costs, and increased earnings.

Quality preschool is an investment in our children, in our workforce and for our business community. I'm pleased that the Washington Companies, First Interstate Bank, BNSF, Zoot Enterprises, and other major businesses are forming the Montana Coalition for School Readiness, and will be urging this 66th legislature to make a substantial state investment in quality pre-K.

They, and we, know preschool works. I ask you to invest 30 million dollars over the next two years - 22 million for public schools through the school funding formula and 8 million for Head Starts and private and community providers through the STARS program. Let's provide kids and families in rural and urban areas access to high-quality, voluntary, affordable preschool options.

The future leaders of our state deserve no less. And let's not stop there.

Let's once again freeze in-state college tuition and prevent what is effectively a tax increase on 28,000 Montana students and their families.

And let's finally join 49 other states providing state-funded, need-based financial aid for students and adult learners. If we are willing to provide 5 million dollars for need-based aid, the university foundations will match our investment, better opening the doors of access to higher education to all Montanans.

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

These investments - from preschool to higher education - don't just make a difference today. They will determine for decades to come the economic success of Montana students, workers and families.

Another opportunity we have to impact the lives of Montanans is improving the health of Montanans, our businesses, and our economy.

When I first stood at this rostrum in 2013, I asked that we transform the way we deliver healthcare, so we can create jobs and take care of those who need our help the most. At that time, our state's uninsured rate was at a staggering 20%; it is now the lowest it's ever been at under 8%.

In 2013, we were investing just 75 million dollars annually in community-based mental health, substance use treatment, and services for children, seniors and people with disabilities. Today, we are making record investments in these services, over 135 million each year, plus serving an additional 14,000 adults, children, and people with disabilities.

We nearly doubled the number of Substance Use Treatment providers, while expanding access to 135 locations across our state.

And Montanans now receive equal treatment under their healthcare plans for mental health, as they do for physical health.

In 2013, there was no consistency in what the State was charged for medical care. At one facility, the State was charged 105,000 dollars for a knee replacement of a state employee - six times more than it would cost on Medicare. Through referenced-based pricing, we've now made medical costs more predictable, consistent and comparable among facilities. As a result, taxpayers have saved over 13 million dollars in state health plan costs in less than two years.

I will never forget a visit to Choteau for a community meeting during the 2015 session. I remember the hospital administrator telling me that 42% of the people that walked through their hospital doors didn't have insurance. And the Chair of the County Commission, Joe Dellwo, telling me how that hospital had saved his life, and that, if they lost that hospital, they could well lose their community.

In 2015 we came together and passed one of the most innovative Medicaid expansion programs in the nation. We require those receiving healthcare to have skin in the game and collect around 5 million dollars in premiums each year. And unlike every other program in the nation, we offer those receiving healthcare an opportunity to improve their lives and their employment by connecting with our Department of Labor.

Just as our program is unique to the nation, so too are its results. No other state has increased labor force participation like we have because of our HELP-Link program. The work done in Montana - our work - is a national model that other states are looking to adopt.

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

Now if I told you I had a business coming to Montana that would create between 5,900 and 7,500 jobs in every corner of this state - that would infuse over 350 million dollars of new personal income into our state - you would all tell me that sounds pretty darned good. Well, that's exactly what Medicaid expansion has done and will continue to do. And it has also done so much more.

That hospital in Choteau remains open today. In states that didn't expand Medicaid, rural hospitals have been closing at a rate six times greater than those that did. We haven't lost one, and uncompensated care is down 50% statewide.

Through the expansion we passed in 2015, we are providing more than just basic health care. Over 33,000 of our friends and neighbors have received mental health services. Almost 10,000 have been treated for substance abuse.

It is that healthcare, physical and mental, that allows people to work. We know in 2017, seven out of 10 Montanans on Medicaid expansion were employed while enrolled. Those who are not employed are growing in their careers through school or workforce training, caregivers for a family member, or are sick or disabled themselves.

It doesn't make sense to me that when we have a nationally recognized model that is helping people succeed in today's economy, we'd consider any measures that take health coverage away from working folks; measures that cost more to administer than provide the services in the first place; or measures that won't pass muster in the courts.

And Medicaid expansion benefits businesses in every county - all 56 across Montana - in every industry, and of every size.

Montana legislators reflect the businesses in our state. Some of you own restaurants, fast food chains, or grocery stores. Some of you own construction companies or hotels. And many of you own small businesses.

Almost 9 out of 10 hotel and restaurant businesses here rely on Medicaid expansion to provide healthcare for at least some of their employees. Two-thirds of our Montana businesses in retail and over half of our construction firms rely on Medicaid. In total, nearly 18,000 Montana businesses had one or more of their employees enrolled in Medicaid expansion in 2017.

I have listened to concerns from legislators on both sides of the aisle about the need to provide sufficient mental health funding. Without expansion, kiss those gains goodbye. I hear from you the need to support rural communities. The rural hospitals we are sustaining keep those communities viable.

I have heard about the need to support our businesses. With almost 3 out of every 5 of Montana businesses relying on Medicaid to provide healthcare for at least some of their employees, you aren't supporting our businesses big and small if you roll back the gains we made with expansion.

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

It is critical that we remove the sunset on Medicaid expansion. That we protect the healthcare for 95,000 of our family, friends and neighbors. That we protect our rural hospitals. And our economy.

Beyond Medicaid, Montanans hope and expect that being covered by health insurance will protect them from financial ruin if they are sick or injured. But sometimes, even having health insurance coverage isn't enough. We can do more.

I am asking you to lower premiums by as much as 20% for Montanans covered by individual health insurance by passing Senate Bill 125 to create a state reinsurance program.

And Montanans should expect to know what they will be paying for and how much the bill will be, even before they receive medical care. House Bill 152 would protect us from "surprise" medical bills that are all too frequent.

Finally, it makes no sense that pharmacists can't tell their patients when there is a different brand of medicine that would cost less than even their copay. That's why we are proposing a measure to put this practice by pharmacy benefit managers to an end.

We have the opportunity - not only to protect the progress we've made improving the health of Montanans and our economy - but to build on that progress.

The long-term health of our communities also depends on whether or not they are able to sustain the strong economic growth Montana has experienced in recent years.

When I first stood at this rostrum in 2013, I asked you to take advantage of historically low interest rates, invest in infrastructure, and immediately create thousands of jobs across our state.

We have now gone six years without passing a major infrastructure package. When you take into account increased inflationary costs and borrowing rates, 100 million dollars worth of infrastructure delayed from 2013 would now cost us 154.5 million. Don't kid yourself. This will only increase over time.

That's not to say we haven't made progress. Over the past six years we have invested 300 million in our communities and at our colleges to ensure, at the very least, we don't fall further behind.

Those investments have gone to upgrade water, sewers, schools and bridges in all 56 counties. Every single county in our state has gotten a piece of the pie.

Yet, when it comes to a major infrastructure package, each time we have fallen a couple votes short. The failure isn't because of lack of interest, or lack of need - it is because of the two-thirds vote required for bonding. This wasn't always the case. Republican Governors

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

Stephens, Racicot, Martz - with mostly Republican-led legislatures, all passed bonding measures. And it is time you do as well.

What I've proposed is a 290 million dollar investment in infrastructure.

In crafting this proposal, I have listened to your concerns. I heard you tell me that too much goes to buildings and not enough to base infrastructure. I've proposed more money for horizontal infrastructure - water, sewer, solid waste disposal, bridges and broadband - than buildings.

I have heard you tell me that not enough money goes to rural areas. I included a 44 million dollar grant program for Montana's natural resource communities, largely in Northern and Eastern Montana, that are impacted by fossil fuel development.

Look, I understand some of you don't like the idea of upgrading our historical society or Romney Hall, the University System's number one priority. Yet, I believe you also understand that both upgrades are desperately needed and both are institutions that we - you and I - are responsible for taking care of. And, because of legislative inaction, both are frankly embarrassments.

Even if, despite the demonstrated need, you don't like those buildings, recognize this. If we are ever going to break this logjam, we have to provide for rural and urban, for our public institutions and for our smaller communities that cannot pay for their own water and sewer upgrades.

We rank 47th in state debt, per capita. Other states have chosen to incur reasonable borrowing rather than passing on crumbling infrastructure to their kids. We are out of step with the rest of the country.

Break the logjam. This session, let's deliver infrastructure for Montana for now and for future generations of Montanans.

Now, you and I both know that the distance between Helena, Montana and Washington, DC is measured by more than the 2,150 geographical miles. We see each other as neighbors first.

When making political decisions we still share a common set of facts.

By and large, we treat one another with respect, even when we disagree. Our politics are more than a sport or a zero-sum game. You don't have to hold a town hall meeting to hear what's on people's minds. I know, like me, you hear it wherever you go - at the grocery store, at church, at high school sporting events.

And our campaign contribution limits are among the lowest in the nation and will stay that way, because the U.S. Supreme Court recently rejected a challenge to those limits.

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

When I stood at this rostrum in 2013, I asked the members of this body to help me preserve the integrity of our elections and guarantee that our elections will never be auctions. Dark money and outside spending on our state elections was rampant in Montana, thanks to the 2010 Citizens United decision.

Whether you supported it at the time or not, I hope all members of this body take pride in the fact that, because of the DISCLOSE Act of 2015, many of those dark money groups have folded up their tent and left our state.

And, for those that remain, dark money groups can no longer hide behind their tax status and have to report their spending during the last ninety days of our state elections. We should all celebrate that our elections are more transparent, and closer to our citizens, than perhaps any other state in the nation.

Just as Montanans now know who is attempting to influence our elections, Montanans should also know that the source of that money isn't coming from foreign countries. I'm asking this body to pass a law expressly outlawing foreign spending in our state elections. It's a glaring omission that we don't have a foreign money ban, as other states have already protected their elections.

Montanans expect that their government will work for them - Montanans, Americans - not anyone else.

Education. Healthcare. Infrastructure. In these and other areas, Montanans elected us to govern and to serve. To make decisions that do good, rather than do harm.

A little over one year ago, lawmakers were in the hallways of this Capitol for my first, and only, special session. You relayed to me in the months that followed that the cuts - which many of you in this chamber voted for, and made permanent - resulted in harmful, real-life consequences for Montanans all across our state.

Just as I have every session, I'm eager to work with Democrats and Republicans to ensure we pass a budget that is balanced and fiscally responsible. But let's make sure the consequences of 2017, and the resulting special session, will serve as lessons learned, not lessons repeated, moving forward.

I will insist on a 300 million dollar reserve for unforeseen circumstances.

The difference between reserving 300 million instead of 200 million is one bad fire season, or a 1.3% error in revenue estimating over the next two and a half years. It's the impact of things we can't control, like government shutdowns and trade wars, market volatility and investor anxiety.

A 300 million dollar reserve - one that's accessible, not requiring we decimate government services before these funds become available - safeguards us from those factors beyond our

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

control, and from repeating past mistakes of eliminating services that our fellow Montanans rely upon.

To make sure we have that money in the bank, I'm requesting changes that reflect Montana's changing economy by increasing the revenue the state receives from hotel guests, car rentals, investment licenses, tobacco products, and hard liquor.

Let's craft a budget that is balanced, funds the services Montanans expect, and leaves money in the bank for unexpected things that might come our way. Don't send me a budget where the cuts aren't realized until after you adjourn, and don't send me a budget where I'll have to make the cuts due to the failure of this legislature to leave money in the bank. Because, if you do, I will send it back.

I believe the budget I have proposed is a reflection of the values we hold as Montanans. It is a reflection of all of the progress we've made as a state these past six years and seeks to build upon that progress with responsible investments in areas Montanans expect.

And it is a reflection of my optimism that we can create a brighter future for everyone fortunate enough to call themselves a Montanan.

I am an optimist. Six years ago, I walked into this job hopeful and determined. And tonight, I am no less optimistic than I was the first time I stood before you.

In my very first State of the State I implored this body to act like our kids are watching and learning from our words and our deeds. Because they are.

I'm optimistic...that we can be role models that inspire the next generation. And if some leaders fall short, I am optimistic that our friends and neighbors, our fellow Montanans, will demand better.

I'm optimistic...that we can demonstrate, while we may have our differences at times, Republicans and Democrats can still work together in Montana to get things done, without shutting down our government.

I'm optimistic...that we can base our decisions not only on today's needs, but with an eye toward improving the Montana our kids and grandkids - future legislators and governors - will inherit.

I'm optimistic...because Montana...this place, its people, its purpose...built for me a world where the improbable was achievable. That's a story each of us understands, because it's our story. Every kid growing up in Montana deserves that same promise of opportunity.

SENATE JOURNAL
NINETEENTH LEGISLATIVE DAY - JANUARY 31, 2019

As we come together this session, the state of our state is strong. We as Montanans are strong. And by working together, by following the course we've set, we'll ensure that the Montana our kids and grandkids inherit is stronger than ever before.

Thank you, God bless you, God bless Montana, and God bless the United States of America.

###

Sergeants-at-Arms Spencer and Murfitt escorted the Governor and guests from the House chamber.

MOTIONS

Majority Leader Thomas moved the joint session be adjourned. Motion carried. Joint session adjourned at 7:50 p.m.

Senate is adjourned until the hour of 1:00 p.m., Friday, February 1, 2019.

MARILYN MILLER
Secretary of the Senate

SCOTT SALES
President of the Senate