MINUTES LOG
June 08, 2021
Room 317
Helena, Montana

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the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken.
The narrative presented here is provided only as a guide to the audio or video recording of the meeting. The official
discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not
prepare a transcript of the meeting activities. The time designation may be used to locate the referenced discussion
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select the date of the meeting you wish to view/listen to. The written Minutes Log, along with links to the audio and
video recordings, is listed by meeting date on the interim committee’s web page. Each of the Exhibits is linked and
can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed.
Please contact the Legislative Audit Division at 406-444-3122 for more information.

MEMBERS PRESENT:
Rep. Denise Hayman, Chair (D)
Sen. Jason Ellsworth, Vice Chair (R)
Rep. Kim Abbott (D)
Sen. John Esp (R)
Sen. Pat Flowers (D)
Sen. Tom Jacobson (D)
Rep. Emma Kerr-Carpenter (D)
Sen. Tom McGillvray (R)
Sen. Mary McNally (D)
Rep. Terry Moore (R)
Rep. Matt Regier (R)
Rep. Jerry Schillinger (R)

MEMBERS EXCUSED:

MEMBERS ABSENT:

STAFF PRESENT:
Deb Butler, Attorney
Angus Maciver, Legislative Auditor
Candace Radovich, Secretary
CALL TO ORDER
08:34:58 Chair Hayman called day two of the meeting to order at 8:34 a.m. noting the presence of a quorum.

LAD OPERATING PLAN APPROVAL
08:35:34 Presented by Legislative Auditor MacIVER (EXHIBIT 7)

Committee Questions of Staff
08:42:08 Rep. Moore asked Legislative Auditor MacIVER to address the appropriations related to AARPA.
08:45:03 Rep. Moore asked Legislative Auditor MacIVER how many FTE the division had.
08:46:47 Sen. McNally asked Legislative Auditor MacIVER about AARPA commissions.
08:48:10 Sen. Ellsworth pointed out some broken links on LAD's recruitment page.

Motion
08:49:11 Sen. Flowers moved the committee accept the LAD operating plan for the 2021 biennium

Vote:
08:49:11 Carried unanimously by voice vote.
08:49:40 Legislative Auditor MacIVER briefed committee members on the LAD specialist Reserve Account.

Motion
08:53:22 Rep. Schillinger moved the committee transfer remaining FY21 Carry Forward funds to the LAD Specialist Reserve Account.

Vote:
08:53:22 Carried unanimously by voice vote.

COMMITTEE EDUCATION
08:54:09 Presented by Deborah F. Butler, Legal Counsel (EXHIBIT 8)

Committee Questions of Staff
09:04:14 Sen. McNally thanked Ms. Butler and noted the information was interesting.
09:04:38 Rep. Hayman asked Ms. Butler about the transition of the State Auditor to Legislative Auditor. Legislative Auditor MacIVER also added to the conversation.
09:08:17 Sen. McGillvray inquired of Ms. butler about changing the name of the State Auditor's Office.
09:10:57 Sen. Ellsworth reminded the committee to always go through the chair.
09:23:56 Sen. Ellsworth asked Ms. Butler about the committee receiving reports before audit hearings.
09:25:40 Sen. Ellsworth addressed committee members regarding discussion of audits prior to audit hearings.
09:28:17 Sen. McNally asked Ms. Butler for the link to the constitutional convention transcripts.
09:28:41 Legislative Auditor MacIVER reminded members to leave their committee education binders so they could continue to be filled.

MONTANA STATE UNIVERSITY (19-11B)
09:30:08 Presented by Alexa O'Dell, CPA, Financial-Compliance Audit Manager.
Present from university: Dr. Waded Cruzado, President
Committee Questions of Staff
09:36:09 Sen. McGillvray asked about the Game Wardens' and Peace Officers' Retirement System. The question was deferred to the university.

Agency Response
09:37:59 Presented by President Cruzado.

Committee Questions of Agency
09:40:42 Sen. McGillvray asked President Cruzado about the additional building need for the Gallatin college.
09:44:54 Sen. McGillvray asked President Cruzado what programs were offered.
09:48:34 Sen. Flowers spoke on the hospitality program.

Public Comment
None

Motion
09:49:29 Sen. Flowers moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

UNIVERSITY OF MONTANA (19-10B)
Present from university:
Seth Bodnar, President
Paul Lasiter, VP. Operations & Finance
Anta Coulibaly, Director, Internal Audit & Enterprise Risk

Committee Questions of Staff
None

Agency Response
09:55:00 Presented by President Bodnar.

Committee Questions of Agency
10:03:23 Sen. Esp asked President Bodnar about the new building for the Missoula college.
10:05:12 Committee Request: Sen. Esp asked President Bodnar to provide the committee in writing what their capacity to grow by enrollment in the Missoula building in the next 8 years would be. (committee members received an email 6/29/21)
10:05:42 Sen. McGillvray asked President Bodnar about the potential new forestry building and was interested in the fire science.

Public Comment
None

Motion
10:11:33 Sen. McNally moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

Vote:
10:11:33 Carried unanimously by voice vote.

Break
MONTANA FACILITY FINANCE AUTHORITY (20-12)
Present from agency: Adam Gill, Executive Director

Committee Questions of Staff

Agency Response
10:30:50 Presented by Director Gill.

Committee Questions of Agency
10:31:53 Sen. Flowers asked Director Gill about the emergency loan interest rates.

Public Comment
None

Motion
10:33:21 Sen. Esp moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

Vote:
10:33:25 Carried unanimously by voice vote.

JUDICIAL BRANCH (20-27)
Present from agency: Beth McLaughlin, Court Administrator

Committee Questions of Staff
10:38:46 Sen. Esp asked Ms. Johnson how many FTE were IT related.
10:42:53 Rep. Moore noted that this subject would be good to add to the committee education.

Agency Response
10:43:27 Presented by Ms. McLaughlin

Committee Questions of Agency
10:44:18 Sen. Esp asked Ms. McLaughlin how many FTE were dedicated to IT/Records Management.

Public Comment
None

Motion
10:45:13 Sen. Flowers moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

Vote:
10:45:13 Carried unanimously by voice vote.

STATE AUDITOR'S OFFICE (20-20)
10:46:03 Presented by Delsi Osmanson, Financial-Compliance Audit Supervisor. Present from agency: Troy Downing, Commissioner of Securities and Insurance;

Committee Questions of Staff
10:50:06 Sen. McGillvray asked Ms. Osmanson for clarification on the local assistance money. He had a follow-up question regarding statutory requirements for pensions. Legislative Auditor Maciver suggested the question be deferred to Ms. Jorgenson.

Agency Response
10:55:45  Presented by Commissioner Downing.

**Committee Questions of Agency**

10:58:17  Ms. Litschauer took the podium to answer Sen. McGillvray's previous question about local assistance money. Sen. McGillvray stated he could follow-up possibly on the phone with the agency to make sure he understood.

10:59:33  Committee Request: Sen. McGillvray asked Ms. Litschauer about major tax revenue. Chair Hayman requested the information be distributed to the entire committee. (committee was emailed 6/2/21)

**Public Comment**
None

**Motion**
11:01:16  Sen. McGillvray moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

**Vote:**
11:01:22  Carried unanimously by voice vote.

**Break**
Reconvened at 11:11:36

**PERFORMANCE AND INFORMATION SYSTEMS SCOPES & OBJECTIVES** *(EXHIBIT 9)*

**PROBATION AND PAROLE DIVISION**

**Committee Questions of Staff**
None

**EGOVERNMENT SERVICES**
11:15:58  Presented by Hunter McClure, Associate Information Systems Auditor.

**Committee Questions of Staff**
None

**LOTTERY SECURITY**

**Committee Questions of Staff**
None

**UNIVERSITY SECURITY**

**Committee Questions of Staff**
None

**DEPARTMENT OF JUSTICE (20-18)**

**Present from agency:**
Austin Knudsen, Attorney General
Natacha Bird, Fiscal Bureau Chief
Stephanie Cote, Administrator, Central Services

**Committee Questions of Staff**
None

**Agency Response**

**Committee Questions of Agency**
11:38:27 Sen. Esp asked Attorney General Knudsen why the Motor Vehicle Division was part of the Department of Justice and if there was any thought for legislation to change that.

**Public Comment**
None

**Motion**
11:42:03 Sen. Flowers moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

**Vote:**
11:42:05 Carried unanimously by voice vote.

**MONTANA STATE LOTTERY (19-30B)**
Present from agency: Scott Sales, Director Armond Sergeant, Director of Accounting Bryan Costigan, Director of Security.

**Committee Questions of Staff**
None
11:49:41 Sen. Esp looked for clarification from Ms. Lahti on term lengths for the director position during the period the audit took place.

**Agency Response**
11:50:38 Presented by Director Sales.

**Committee Questions of Agency**
11:51:20 Sen. McGillvray asked Director Sales about unclaimed tickets. The question was deferred to Mr. Sergeant.
11:52:56 Sen. McGillvray asked Ms. Sergeant if the Lottery was able to track who the people were that did not collect.

**Public Comment**
None

**Motion**
11:54:16 Sen. Esp moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

**Vote:**
11:54:22 Carried unanimously by voice vote.
11:54:54 Sen. Esp asked Legislative Auditor Maciver if LAC members were allowed to play the lottery.

**Lunch**
11:57:58 Reconvened at 12:49:50

**OFFICE OF THE GOVERNOR AND LIEUTENANT GOVERNOR (20-23)**
12:50:02 Presented by Mary Currin, Senior Financial-Compliance Auditor.
Present from agency: Kurt Alme, Director Errolyn Lantz, Centralized Services Administrator Sonia Powell, Senior Budget Analyst.
12:50:50 Sen. Jacobson left the meeting.
Committee Questions of Staff
None

Agency Response
12:54:42 Presented by Director Alme.

Committee Questions of Agency
12:55:57 Sen. McGillvray asked Director Alme about the Public Service Commission appropriations. The question was deferred to Ms. Lantz.

Public Comment
None

Motion
12:59:49 Rep. Moore moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

Vote:
12:59:49 Carried unanimously by voice vote.

INFORMATION SYSTEMS PRIORITIZATION RESULTS CY2021
13:00:44 Presented by Miki Cestnik, Information Systems Audit Manager. (EXHIBIT 10)

Committee Questions of Staff
13:09:36 Sen. Esp asked Ms. Cestnik to keep the committee appraised of MERLIN issues.
13:10:37 Rep. Hayman asked Ms. Cestnik if any of the systems discussed talked to each other.
13:11:47 Legislative Auditor Maciver commented on the Department of Justice audit topic.

PERFORMANCE AND INFORMATION SYSTEMS AUDIT STATUS UPDATE

Committee Questions of Staff
13:17:51 Committee Request: Sen. Flowers asked Mr. Soller to explain table 2 in the sage grouse memo. (Mr. Soller walked Sen. Flowers through the table)
13:19:19 Mr. Soller went over the memo regarding the Gambling Control Division memo that addressed why there would be no performance audit. (EXHIBIT 12)

Committee Questions of Staff
13:20:23 Rep. Hayman asked Mr. Soller to explain what he meant by the program was regulated well. The question was deferred to Amber Robbins, Management and Program Analyst Supervisor.

DEPARTMENT OF MILITARY AFFAIRS (20-25)
Present from agency:
Major General J. Hronek, Adjutant General
Jennifer Garber, Chief Financial Officer
Sundi West, Deputy Director
Leslie White, Construction Facility Management Officer
Delila Bruno, Disaster and Emergency Services Division Administrator

Committee Questions of Staff
13:32:06 Rep. Hayman asked Ms. Erdahl about the services EMT's provided to the community.

Agency Response
Committee Questions of Agency
13:39:18 Rep. Hayman asked Major General J. Peter Hronek why he thought there was an increase in enrollment at the Montana Youth Challenge.
13:40:24 Sen. Flowers asked Major General J. Peter Hronek about the previous audit. The question was deferred to Ms. Bruno.

Public Comment
None

Motion
13:42:12 Sen. Flowers moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

Vote:
13:42:16 Carried unanimously by voice vote.

FINANCIAL AUDIT STATUS UPDATE
13:43:34 Presented by Cindy Jorgenson, Deputy Legislative Auditor. (EXHIBIT 14)

Committee Questions of Staff

BIENNIAL SCHEDULE
13:57:49 Presented by Legislative Auditor Maciver (EXHIBIT 16)

Committee Questions of Staff
None

PREVIOUS COMMITTEE REQUEST
14:01:28 Presented by Legislative Auditor Maciver. (EXHIBIT 17) - MUS Affiliate Benefit Changes

Committee Questions of Staff
14:02:40 Rep. Hayman requested that we keep the committee updated.
14:03:05 Legislative Auditor Maciver asked if any members had questions on the performance audit prioritization.
14:05:21 Sen. Flowers asked about the community college audits.

ADJOURNMENT
14:05:52 With there being no further business Chair Hayman adjourned the meeting at 2:05 p.m.

/s/ Rep. Emma Kerr-Carpenter

Secretary:

Rep. Kerr-Carpenter