



Economic Affairs Interim Committee

63rd Montana Legislature

SENATE MEMBERS

BRUCE TUTVEDT--Chair
ELSIE ARNTZEN
DICK BARRETT
TOM FACEY

HOUSE MEMBERS

RYAN LYNCH--Vice Chair
TOM BERRY
GREG HERTZ
LEA WHITFORD

COMMITTEE STAFF

PATRICIA MURDO, Lead Staff
BART CAMPBELL, Staff Attorney
KRISTINA LIMING, Secretary

MINUTES LOG

Economic Affairs Interim Committee
March 27, 2014
RM 152, State Capitol

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.

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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. BRUCE TUTVEDT, Chair
REP. RYAN LYNCH, Vice Chair

SEN. ELSIE ARNTZEN
SEN. DICK BARRETT
SEN. TOM FACEY

REP. TOM BERRY
REP. GREG HERTZ
REP. LEA WHITFORD

STAFF PRESENT

PATRICIA MURDO, Lead Staff
BART CAMPBELL, Staff Attorney
KRISTINA LIMING, Secretary

AGENDA & VISITORS' LIST

Agenda, [Attachment #1](#).
Visitors' list, [Attachment #2](#).

COMMITTEE ACTION

- Committee decided to defer the Department of Labor and Industry's portion of the agenda to the May meeting.
- REP. BERRY requested moving the Montana State Fund Restructuring to the May meeting.
- REP. LYNCH moved to change the May 8 meeting date to May 12 and May 13. Committee agreed by consensus voice vote.

AGENDA

1. Welcome -- Call to Order - Roll Call -- Introduction -- Sen. Tutvedt

2. Agency Monitoring - Department of Commerce

00:00:55 Overview from **Meg O'Leary**, Director of Department Of Commerce
- *DOC Reference Packet* ([EXHIBIT 1](#))
- *Agency Overview* ([EXHIBIT 2](#))

00:05:47 **Bruce Brensdal**, Administrator, Housing Division
Low Income Housing Tax Credit Program (Pg. 3-6, [EXHIBIT 1](#))

Committee Questions and Comments

00:11:03 SEN. BARRETT
00:11:35 REP. BERRY
00:12:26 SEN. TUTVEDT - Mr Brensdal
00:13:39 REP. HERTZ - Mr. Brensdal
00:15:30 SEN. ARNTZEN
00:16:13 SEN. BARRETT
00:17:16 SEN. TUTVEDT

00:17:52 **Kelly Lynch**, Administrator, Community Development
- *Community Development Block Grant (CDBG), Housing Program, & HOME Investments Partnerships Program (HOME)* (Pg. 7-8, [EXHIBIT 1](#))
- *CDBG and Treasure State Endowment Program* (Pg. 9-10, [EXHIBIT 1](#))
- *Quality Schools Grant Program* (Pg. 11-12, [EXHIBIT 1](#))
- *Montana Coal Board* (Pg 13-14, [EXHIBIT 1](#))
- *Montana Main Street Program* (Pg. 15-16, [EXHIBIT 1](#))
- *Community Technical Assistance Program (CTAP)* (Pg 17-18, [EXHIBIT 1](#))
- *Average Estimated Economic Impacts from Nonresidential Construction of Water, Sewage, and Other Treatment & Delivery Systems in Montana* (Pg 19, [EXHIBIT 1](#))

Committee Questions and Comments

00:28:25 SEN. ARNTZEN
00:30:30 REP. BERRY- Ms. Lynch

- 00:32:16 **Dale Mahlum**, Chair, Montana Board of Horseracing
- 00:34:08 **Tom Tucker**, Executive Secretary, Montana Board of Horseracing (BOHR)
Summary of BOHR (Pg. 20-29, EXHIBIT 1)

Committee Questions and Comments

- 00:40:46 REP. BERRY - Mr. Tucker
- 00:44:42 SEN. TUTVEDT
- 00:45:05 SEN. FACEY
- 00:47:15 **Jeri Duran**, Administrator, Montana Promotions Division (Pg. 30, EXHIBIT 1)
Presented a short video for further description of Montana film industry.

Committee Questions and Comments

- 00:56:22 REP. HERTZ
- 00:57:09 SEN. TUTVEDT
- 00:58:26 **Casey Lozar**, Program Manager, State Tribal Economic Development
Commission
-Indian Country Economic Development Program (ICED) (Pg. 31-33, EXHIBIT1)

Committee Questions and Comments

- 01:07:28 REP. BERRY
- 01:07:45 SEN. TUTVEDT
- 01:08:03 REP. HERTZ
- 01:09:06 **Andy Poole**, Administrator, Business Resources Division
- Primary Sector Workforce Training Program (Pg. 34-37, EXHIBIT 1)
*- Community Development Block Grant Program Economic Development
(CDBG-ED)* (Pg 38-41, EXHIBIT 1)
- Big Sky Economic Development Trust Fund (Pg. 42-45, EXHIBIT 1)
- Business Resources Division Funded Project Information (Pg. 46, EXHIBIT 1)

Committee Questions and Comments

- 01:21:18 SEN. BARRETT
- 01:23:18 Mr. Poole
- 01:24:45 SEN. BARRETT
- 01:25:36 REP. HERTZ - Ms. O'Leary
- 01:26:48 REP. BERRY
- 01:31:00 SEN TUTVEDT noted that some agenda items would be rearranged to
accommodate lunch.

Public Comment

- 01:27:41 **Senator Jim Keane**, Senate District 38
Provided information regarding Montana State Fund (**EXHIBIT 3**)

3. Update on Milk Rule Subcommittee

01:31:47 REP. HERTZ

Committee Questions and Comments

01:33:18 REP. BERRY

01:34:35 REP. LYNCH

01:36:29 SEN. ARNTZEN

01:37:40 REP. LYNCH

01:38:52 REP. HERTZ

4. Public Comment

01:40:14 **David Lewis**, Northwest Dairy Association
Expressed concerns regarding changes to the 12-day rule.

01:42:08 **Krista Lee Evans**, Montana Milk Producers Association
Noted concerns for all parties involved in milk production. Noted the impacts that may occur with a change to the current milk rule.

01:44:08 LUNCH

Agency Monitoring - Department of Commerce (continued)

02:44:06 **Josh Goodman**, The Pew Charitable Trusts
- *Powerpoint presentation on tax credits (EXHIBIT 4)*

Committee Questions and Comments

02:59:21 SEN. BARRETT

03:03:58 **Stephanie Morrison**, Revenue Analyst, Legislative Fiscal Division
- *Individual Income Tax Credit and Selection Deduction Analysis (EXHIBIT 5)*

Committee Questions and Comments

03:08:01 SEN. TUTVEDT - Ms. Morrison

03:11:31 SEN. BARRETT - Ms. Morrison

03:14:06 SEN. TUTVEDT

03:14:30 SEN. BARRETT

03:15:08 SEN. TUTVEDT - Ms. Morrison

5. Agency Monitoring - Board of Investments

- *Legislative Background, BOI and MSF Board Comparisons (EXHIBIT 6)*

03:16:36 **Mark Noennig**, Chair of Montana Board of Investments
- *Summary PowerPoint Presentation on Board Functions (EXHIBIT 7)*

Committee Questions and Comments

03:37:21 SEN. TUTVEDT - Cliff Sheets, Chief Investment Officer, BOI

03:47:07 SEN. TUTVEDT - David Ewer, Executive Director, BOI
- *BOI Annual Report* (**EXHIBIT 8**)

03:50:14 SEN. FACEY
03:51:06 SEN. TUTVEDT
03:51:31 Mr. Ewer
03:54:00 SEN. TUTVEDT
03:54:44 REP. BERRY

Public Comment

None.

6. SJR 24- White Paper on Military Training

03:56:26 Overview by **Pat Murdo**, Legislative Staff
- *Military Training Transferability to Civilian Work Force* (**EXHIBIT 9**)

Committee Questions and Comments

04:03:30 REP. BARRETT
04:03:55 SEN. ARNTZEN
04:05:26 SEN. TUTVEDT

Public Comment

None.

7. HJR 25 Study of Workers' Compensation

04:06:30 **a) Workers' Compensation Court**
Ms. Murdo presented statement from Lane Larson (**EXHIBIT 10**)
- *Legislative Background, Workers Comp. Court and Judge* (**EXHIBIT 11**)

04:07:22 Overview by **Bart Campbell**, Legislative Staff

04:11:12 Comments from **Judge James Jeremiah Shea**

Committee Questions and Comments

04:16:20 SEN. FACEY
04:17:56 REP. HERTZ
04:19:01 SEN. BARRETT
04:20:06 SEN. TUTVEDT
04:25:05 SEN. ARNTZEN
04:26:43 SEN. TUTVEDT
04:27:00 REP. LYNCH

Public Comment

None.

04:28:34 **b) Updates on Utilization & Treatment Guidelines and Medical Status Forms**

- Diana Ferriter**, Employment Relations Division (ERD) Administrator
- *Fact sheet from ERD* (**EXHIBIT 12**)
 - *Medical Status Form* (**EXHIBIT 13**)
 - *Overview of Recent Changes* (**EXHIBIT 14**)
 - *NCCI Powerpoint* (**EXHIBIT 15**)

Committee Questions and Comments

04:42:59 REP. WHITFORD
 04:47:37 REP. HERTZ
 04:48:06 SEN. TUTVEDT

Public Comment

04:50:37 Jean Branscum, Montana Medical Association
 Commented about the survey regarding specific guidelines physicians use when processing workers compensation claims.

Ms. Murdo distributed and summarized a statement from John Petrisko, MD.
(EXHIBIT 16)

04:54:15 **c) Reports from Insurers, Claimants on Treating Physician Designations**

04:56:20 **Bridget McGregor**, Montana State Fund Medical Team Leader (**EXHIBIT 17a**)

05:00:40 **Dan Gengler**, Montana State Fund
 -*Designated Treating Physician Impact* (**EXHIBIT 17b**)

Committee Questions and Comments

05:09:22 SEN. BARRETT - Mr. Gengler
 05:09:57 REP. HERTZ - Mr. Gengler

05:11:25 **Alan Hulse**, Chief Executive Officer, MMIA (substituting for Ann Komac)

05:13:51 **Michelle Reinhart Levine**, Fair Claim Attorney

- *Letter from Ms. Reinhart Levine* (**EXHIBIT 18**)
- *Letter from Christopher Carter* (**EXHIBIT 19**)
- *Letter from Gary Stroop* (**EXHIBIT 20**)
- *Choice of Treating Physician Document* (**EXHIBIT 21**)

Committee Questions and Comments

05:28:57 REP. HERTZ
 05:29:32 Ms. Ferriter
 05:30:01 REP. HERTZ
 05:31:00 Ms. Reinhart Levine
 05:31:46 REP. HERTZ
 05:32:06 SEN. TUTVEDT
 05:32:20 Ms. Ferriter
 05:33:19 Ms. Reinhart Levine

05:33:59 SEN. TUTVEDT
05:34:14 Nancy Butler, Montana State Fund

05:34:52 **David Lighthall**, Attorney representing injured workers

Committee Questions and Comments

05:44:52 SEN. BARRETT
05:47:25 Mr. Lighthall
05:49:11 Ms. Reinhart Levine
05:51:24 SEN. FACEY
05:51:59 Mr. Lighthall
05:53:33 REP. LYNCH
05:53:44 Mr. Lighthall
05:54:25 SEN. ARNTZEN - Mr. Lighthall
05:57:20 Ms. Reinhart Levine
05:59:23 SEN. ARNTZEN
06:00:15 SEN. TUTVEDT said the committee needs further study of the issue and to have a hearing to find a compromise between insurers and injured workers.
06:01:16 SEN. BARRETT suggested hearing from the source that indicated the cost-savings from insurers choosing a treating physician (referencing EXHIBIT 15)
06:02:20 Ms. Murdo
06:02:25 SEN. TUTVEDT

Public Comment

06:03:03 **Al Smith**, Montana Trial Lawyers
Commented about the statute changes that he believes need to be implemented, regarding who chooses the physician.

06:05:58 **Jean Branscum**, Montana Medical Association
Commented about the importance of physician decisions and quality of care given.

06:09:51 Short Break

d) Public Comment on Next Steps for Montana State Fund Restructuring

06:21:21 REP. BERRY requested moving the Montana State Fund Restructuring part of the agenda to the next meeting. Committee agreed by consensus.

Mr. Hubbard provided a handout for committee review before the May meeting.
([EXHIBIT 22](#))

Committee Questions and Comments

06:26:44 SEN. BARRETT
06:27:38 SEN. TUTVEDT

8. Licensing Board Concerns

06:28:30 Committee decided to defer the Department of Labor and Industry's portion of the agenda to the May meeting as well. Committee agreed by consensus.

Adam de Yong, Business Standards Divisio, distributed material for committee review before the May meeting.

- *Answers to committee questions* (**EXHIBIT 23**)

- *Options for resolution for Financial Issues* (**EXHIBIT 24**)

06:29:36 SEN. BARRETT

06:30:11 SEN. ARNTZEN

Public Comment

None.

9. Rule Review

06:31:56 **Bart Campbell**, staff attorney

Handout (**EXHIBIT 25**)

10. Reports from legislative liaisons to Montana State Fund (MSF) and Rail Services Competition Council

06:33:07 REP. WHITFORD provided feedback from MSF meeting.

- *Montana State Fund Restructuring Options* (**EXHIBIT 26**)

06:36:01 REP. LYNCH provided information from the Rail Services Competition Council.

06:37:23 REP. BERRY

06:37:49 REP. LYNCH

06:39:00 SEN. TUTVEDT

11. Updates on Agencies, Areas of Interest, Review of May agenda items

Committee Action to change May 8 meeting date to May 12

06:39:46 Ms. Murdo commented about the meeting date changes requested.

06:40:38 REP. LYNCH moved to change the May 8 meeting date to May 12 and May 13. Committee agreed by consensus voice vote. Motion passed.

12. Directions to staff

06:41:59 SEN. TUTVEDT

Adjourn

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