

# ***Economic Affairs Interim Committee Draft Work Plan for the 2017 - 2018 Interim***

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revised draft for June 2017 initial meeting

## **Summary**

This work plan for the 2017-2018 Economic Affairs Interim Committee (EAIC or Committee) contains:

- an introduction regarding EAIC duties;
- details related to the EAIC's statutory duties;
- plans for a study on workers' compensation;
- plans for any study assigned by the Legislative Council to the EAIC;
- a proposed schedule in which to accomplish EAIC activities; and
- topics that EAIC members or staff have suggested pursuing (Appendix A).

This work plan may be revised periodically, taking into consideration budget, emerging issues, and timing.

## **I. Introduction**

In line with the statutory duties of interim committees (detailed in the next section), the Economic Affairs Interim Committee has responsibility for:

- reviewing rules of certain executive agencies under the EAIC's purview;
- monitoring certain executive agencies' programs and reports and providing a preliminary review of those agencies' draft legislation; and
- studying and reporting to the next Legislature on any issues assigned to the EAIC by the Legislative Council.

The EAIC presiding officer also has the responsibility to name:

- two EAIC members as liaisons to the Montana State Fund, a state entity that provides a guaranteed market for workers' compensation insurance; and
- two EAIC members (one from each party and each legislative body), with vice presiding officer concurrence, to the Rail Service Competition Council.

The full Committee is responsible for naming two EAIC members, one from each political party, to a subcommittee attached to the Legislative Finance Committee to study the future of labs at Montana State University-Bozeman, including the Veterinary Diagnostic Laboratory, the Wool Lab, the Wildlife Laboratory, and the Seed Lab. There is no requirement for appointees to be from separate houses.

## **Budget/Meeting Dates**

~ \$32,000 - EAIC      The EAIC budget for the 2017-2018 biennium is about \$32,000. For the  
Meeting dates -      first meeting, the EAIC is able to tap money left over from the last interim,  
see Table 2            which means the budgeted amount for the FY2017-FY2018 biennium is

able to cover an estimated 10 meeting days. If the members decide to have a subcommittee, the staffing and budget for subcommittee meetings reduce the main EAIC staffing and budget proportionately.

The bulk of the budget is for members' travel and per diem costs for meetings but allows for additional expenditures, such as the use of remote meeting technologies, meetings out of Helena, or conferences or other meetings related to the EAIC's work. See Table 2 for meeting date options.

~ \$4,500 for MSF liaisons

The costs for two EAIC members to serve as liaisons to the Montana State Fund, separately identified in the Legislative Services Division budget, is about \$4,500. Liaisons submit their claims separately to the EAIC staff.

Next MSF meeting: Sept. 15

Liaisons can count on attending approximately five Montana State Fund meetings a year. The remaining meetings for 2017 are Sept. 15 and Dec. 15. For 2018, quarterly meetings are anticipated on March 9, June 8, September 14, and December 14.

July 2017 - Rail Services next meeting

The next meeting of the Rail Service Competition Council is July 25 at the Montana Department of Transportation Auditorium, 2701 Prospect Ave. in Helena. Costs for Rail Service Competition Council liaisons are covered by the Department of Transportation but the process is for expense claims to be turned in to Legislative Services. DOT pays \$50 a day salary, not a legislative salary, to legislators.

The Rail Service Competition Council typically meets about five times during an interim, with an economic development subcommittee meeting twice.

HB 661 Study

Legislative Finance Committee met June 12 and will meet Sept. 25-26. More information after that meeting.

The study resolutions require that interim committee work, including final reports, recommendations, and any proposals for legislation, be completed by Sept. 15, 2018.

## **II. *Statutory Obligations and Review of Duties***

**5-5-215. Duties of interim committees.** (1) Each interim committee shall:

- (a) review administrative rules within its jurisdiction;
- (b) subject to 5-5-217(3), conduct interim studies as assigned;
- (c) monitor the operation of assigned executive branch agencies with specific attention to the following:
  - (i) identification of issues likely to require future legislative attention;

- (ii) opportunities to improve existing law through the analysis of problems experienced with the application of the law by an agency; and
  - (iii) experiences of the state's citizens with the operation of an agency that may be amenable to improvement through legislative action;
  - (d) review, if requested by any member of the interim committee, the statutorily established advisory councils and required reports of assigned agencies to make recommendations to the next legislature on retention or elimination of any advisory council or required reports pursuant to 5-11-210;
  - (e) review proposed legislation of assigned agencies or entities as provided in the joint legislative rules; and
  - (f) accumulate, compile, analyze, and furnish information bearing upon its assignment and relevant to existing or prospective legislation as it determines, on its own initiative, to be pertinent to the adequate completion of its work.
- (2) Each interim committee shall prepare bills and resolutions that, in its opinion, the welfare of the state may require for presentation to the next regular session of the legislature.
- (3) The legislative services division shall keep accurate records of the activities and proceedings of each interim committee."

**Table 1: Agencies Assigned to the EAIC and Areas of Interest**

<b>Department of Agriculture</b> <ul style="list-style-type: none"> <li>• Agricultural Development Division</li> <li>• Agricultural Sciences Division</li> <li>• Central Services</li> <li>• State Grain Laboratory</li> </ul>	MT Wheat & Barley Committee	Hail Insurance Board
	Noxious weed-related advisory councils (3)	
	Alfalfa Seed Committee	Organic Advisory Committee
	Cherry Advisory Committee	Potato Advisory Committee
		Pulse Crop Advisory Committee
<b>Department of Commerce</b> <ul style="list-style-type: none"> <li>• Director's Office</li> <li>• Community Development Division</li> <li>• Housing Division</li> <li>• Office of Tourism and Business Development</li> </ul>	Board of Housing	MT Facility Finance Authority
	Board of Investments	MT Heritage Commission
	Board of Research and Commercialization	Small Business Development Center Advisory Council
	Economic Development Advisory Council	State Tribal Economic Development Commission
	Coal Board	Tourism Advisory Council
	Hard-rock Mining Impact Board	Board of Horseracing
<b>Department of Labor &amp; Industry</b> <ul style="list-style-type: none"> <li>• Business Standards Division</li> <li>• Centralized Services Division</li> <li>• Employment Relations Division</li> <li>• Unemployment Insurance Division</li> <li>• Workforce Services Division</li> <li>• Workers' Compensation Court</li> </ul>	Professional and Occupational Licensing Boards (33)	
	Building Codes Bureau	Occupational Safety / Health
	Weights and Measures Bureau	Apprenticeship / Training
	Montana Human Rights Commission	Incumbent Worker Training Program
	Board - Personnel Appeals	Foreign Labor Certification
	Unemployment Insurance Appeals Board	MT State Employers Council
	Labor-Management Advisory Council	Workforce Innovation Board
<b>Department of Livestock</b> <ul style="list-style-type: none"> <li>• Animal Health Division</li> <li>• Brands Enforcement Division</li> <li>• Centralized Services Division</li> <li>• Diagnostic Laboratory</li> <li>• Meat and Milk Inspection Division</li> </ul>	Livestock Loss Board	Board of Milk Control
	Meat and Poultry Bureau	Milk and Egg Bureau
<b>State Auditor's Office</b> <ul style="list-style-type: none"> <li>• Insurance Division</li> <li>• Securities Division</li> </ul>	Statutory duties	
<b>Gov's Office of Economic Development</b>	Statutory duties	
<b>Division of Banking/Financial Institutions</b>	Statutory duties	
<b>Liquor Control Division</b>	Statutory duties	

## **Duties Required in Statute**

### **A. Rule Review**

Under 5-5-215, MCA, an interim committee "shall review administrative rules within its jurisdiction." There are different ways of doing the review ranging from in-depth analysis to general oversight, depending on the Committee's choice. In the past, EAIC legal staff typically reviewed rulemaking notices from all of the agencies that the EAIC monitors and provided information to the Committee on generally significant rules but only raised flags on a rule if the attorney considered the rule to be noncompliant with legislative intent or otherwise not meeting the Montana Administrative Procedure Act (MAPA). The EAIC could request the Committee attorney to pay particular attention to rules affecting constituent concerns, if any. According to MAPA, the committee charged with reviewing agency rules may:

- request agency rulemaking records for ensuring compliance with MAPA;
- submit recommendations regarding the adoption, amendment, or rejection of a rule;
- require that a hearing be conducted;
- participate in proceedings; or
- review the conduct of administrative proceedings.

### **B. Program Monitoring**

Pursuant to 5-5-215, MCA, the Committee shall monitor the operation of assigned agencies with specific attention paid to:

- identifying issues likely to require future legislative attention;
- improving existing law; and
- seeking the input of citizens regarding the operation of agencies.

The EAIC monitors the following (see Table 1 for more detail):

- Department of Agriculture;
- Department of Commerce;
- Department of Labor and Industry;
- Department of Livestock;
- Office of the State Auditor and Commissioner of Insurance and Securities;
- Governor's Office of Economic Development;
- the Division of Banking and Financial Institutions;
- the Liquor Control Division; and
- Montana State Fund.

### **C. Draft Legislation Review**

Draft legislation review is intended both for an interim committee's suggested legislation and for legislation to be proposed by agencies monitored by the committee. When the interim committee is proposing its own legislation, it is listed under both "requester" and "requested by." A requester must be a legislative entity. The "requested by" entity may be a state agency.

The requester role sometimes is seen by the public as the committee endorsing the bill, when in fact the requester is just enabling drafting of the legislation and is not taking a stand on the contents of the bill. However, an interim committee may choose not to request drafting of a particular bill requested by an agency, which means only that the agency must find a legislator who will introduce the bill (and the committee then, perhaps, generates some unnecessary ill will). Early review by legislators also allows for outside suggestions that agencies may or may not take under consideration.

Two reasons for review of agency legislation by interim committees are:

- to provide early drafting for agencies, which presumably know in advance which policies they are seeking to amend, remove, or establish; and
- to improve the workflow so that staff can begin drafting legislation before the elections and handle agency legislation before the onslaught of newly elected legislators' bill requests.

Because agencies are expected to have submitted their proposals to the Governor's Office by June in the year preceding the legislative session, interim legislative committees can begin as early as that June to review the legislation. The EAIC often has reviewed agency legislation at its last meeting of the interim. According to Joint Rule 40-40(5)(a): "Unless requested by an individual member, a bill draft request submitted at the request of an agency must be submitted to, reviewed by, and requested by the appropriate interim or statutory committee." Typically, agency draft legislation is not ready by September, so the agencies present only the concepts.

#### **D. Maintain Adequate Records of Activities**

Under 2-3-212, MCA, if an audio recording is designated as the official record, written records of meetings must also be kept to provide assistance to the public in accessing the relevant portion of the meeting. The Legislative Council has decided that the audio recording stands as the official record. Unless otherwise requested by the Committee, the written material regarding minutes will be a log or guideline to topics, the times that they were addressed, and the names of those who spoke on the subject. For this type of record, there is no need for the Committee to approve the minutes log. The audio recording serves as the official record.

As for other records of activities, staff relies on communication with EAIC members using both e-mail and letters. If an EAIC member prefers communication in one form only, please let staff know and they will adjust to match preferences. Information will be sent to the EAIC members approximately 2 weeks prior to a meeting by mail and posted on the Committee website, unless the EAIC member directs electronic notification only. Material may be sent in more than one mailing. Legislators may refer constituents or interested parties to the website for information or to sign up for electronic notification of EAIC activities. The website is:

<http://leg.mt.gov/css/Committees/Interim/2017-2018/Economic-Affairs/default.asp> or simply <http://leg.mt.gov/eaic>.

#### **E. Additional Statutory Duties**

- Licensing Board or Program Review. As part of its monitoring duties related to the Department of Labor and Industry, to which professional and occupational licensing

boards are administratively attached, the EAIC is responsible for deciding:

- if any particular licensing board or program is not needed; or
  - if the financial solvency of the board or program is questionable. Under 2-8-404, MCA, the EAIC is required to notify the department if the Committee itself wants to review boards or programs for the purpose of sunseting them or combining them with another board.
- New from the 2017 session is an obligation to monitor the Department of Labor and Industry's determinations as to whether any board actions are considered by the Commissioner of Labor and Industry to be anticompetitive. House Bill 141 gave the Commissioner of Labor and Industry oversight responsibility to determine if any board actions violate antitrust laws and also gave the EAIC a role to initiate further hearings, backstop the Commissioner of Labor and Industry, or provide an alternative process for those who complain about possible antitrust activities by boards or licensees.
  - Under 22-3-1002(1), MCA, the EAIC is required to review the administrative fee negotiated between the Montana Heritage Preservation and Development Commission and the Department of Commerce.
  - The creation of the Wood Product Industry Loan Program in the Department of Commerce included a requirement in 90-1-503, MCA, that the Department of Commerce report to the EAIC about the status of the distressed wood products industry loan account.
  - The Rail Service Competition Council (RSCC) under 2-15-2511(3), MCA, is to "report to any standing or interim legislative committee that is assigned to study or has oversight duties for rail service competition issues."
  - One statutory recommendation is for each interim committee to review advisory councils and reports that must be provided to the Legislature to determine whether they are serving their purpose or are no longer necessary. Among advisory councils eligible for EAIC review are:
    - ▶ Tourism Advisory Council (Commerce) created under 2-15-1816, MCA;
    - ▶ Economic Development Advisory Council (Commerce) created under 2-15-1820, MCA;
    - ▶ Advisory Council on Continuing Education for Insurance Licensees (SAO) created under 33-17-1204, MCA;
    - ▶ Advisory Council on Risk Management Activities (SAO), related to medical malpractice concerns, created under 33-23-520, MCA;
    - ▶ Noxious Weed Management Advisory Council (Agriculture) created under 80-7-805, MCA;
    - ▶ Montana Noxious Weed Seed Free Forage Advisory Council (Agriculture) created under 80-7-904, MCA;
    - ▶ Organic Commodity Advisory Council (Agriculture) created under 80-11-601, MCA; and
    - ▶ Vertebrate Pest Management Advisory Council (Agriculture) established under 80-7-1104, MCA.

The following reports are required either specifically noting the EAIC is to receive the report or the report is under an agency for which the EAIC is responsible:

- ▶ State Agency and County Weed District Biennial Noxious Weed Report (Agriculture), 7-22-2151, MCA;
- ▶ Montana Board of Investments Annual Report (Commerce), 17-5-1650, MCA;
- ▶ Apprenticeship and Training Program Biennial Report (Labor and Industry), 39-6-101 and 5-11-210, MCA;
- ▶ Business and Industrial Development Corp. Report (Banking and Financial Services), 32-11-306, MCA. HB 25 in the 2017 session specified a report be provided only if a BIDCO is created.
- ▶ Livestock Loss Reduction Report (to be made to the Legislature and the Board of Livestock), 2-15-3113, MCA;
- ▶ Distressed Wood Industry Report (Commerce), 90-1-503 and 5-11-210, MCA; and
- ▶ Montana State Fund, which is to provide a report on its approved budget to the EAIC.

The following boards, committees, or other entities may contain an advisory function but are not specifically termed advisory councils or are not created statutorily. The 2015-2016 EAIC did not request a review as to their status. The 2017-2018 EAIC may choose to review one, none, or many.

- ▶ Montana Noxious Weed Summit Advisory Council (Agriculture), which would be reviewed only in relation to statutory entities, since this council was created under executive order;
- ▶ Montana Agriculture Development Council (Agriculture) provided for in 2-15-3015 and 90-9-103, MCA;
- ▶ Montana Alfalfa Seed Committee (Agriculture) created under 2-15-3004, MCA;
- ▶ Montana Cherry Advisory Committee (Agriculture) created under 80-11-510, MCA (a statute giving the department general creation authority);
- ▶ Montana Potato Advisory Committee (Agriculture);
- ▶ Montana Pulse Crop Advisory Committee (Agriculture);
- ▶ Montana Wheat and Barley Committee (Agriculture) created under 2-15-3002, MCA;
- ▶ Board of Hail Insurance (Agriculture) created under 2-15-3003 and Title 80, ch. 2, part 2, MCA;
- ▶ State Workforce Investment Board (Labor and Industry);
- ▶ Board of Personnel Appeals (Labor and Industry);
- ▶ Board of Labor Appeals (Labor and Industry);
- ▶ Board of Housing (Commerce) created under 2-15-1814, MCA;
- ▶ Coal Board (Commerce) created under 2-15-1821, MCA;
- ▶ Board of Research and Commercialization Technology (Commerce) created under 2-15-1819, MCA;
- ▶ Hard-rock Mining Impact Board (Commerce) created under 2-15-1822, MCA;
- ▶ State Tribal Economic Development Commission (Commerce) created under 90-1-131, MCA;
- ▶ SBDC (Small Business Development Center) Advisory Council (Commerce);
- ▶ Montana Heritage Preservation and Development Commission (Commerce) created

- under 22-3-1002, MCA;
- ▶ Montana Facility Finance Authority (Commerce) created under 2-15-1815, MCA;
- ▶ Board of Investments (Commerce) created under 2-15-1808, MCA; and
- ▶ Montana Council on Developmental Disabilities (Commerce) created under 2-15-1869, MCA.

### **III. Study Activities**

Legislative Council assigned three studies to the Economic Affairs Interim Committee, with a suggestion that the EAIC consider participating in a subcommittee to study House Joint Resolution No. 20, the top-ranked study on health care transparency. HJR 20 was assigned to the Children, Families, Health and Human Services Interim Committee.

The EAIC's studies are:

- ▶ **SJR 27** -- a study of workers' compensation. See Appendix B for a study plan for SJR 27.
- ▶ **SJR 20** -- a study of unemployment in high-poverty areas. See Appendix C for a study plan for SJR 20.
- ▶ **SJR 32** -- a study of emergency care provider training and scope of practice. See Appendix D for a study plan for SJR 32.

In addition, the EAIC potentially may have two members involved in the HJR 20 study of health care transparency and is specifically required to name two members to a subcommittee of the Legislative Finance Committee studying the Veterinary Diagnostic Lab at Montana State University-Bozeman and three other labs.

Assigned to the Children, Families, Health and Human Services Interim Committee, the plan for HJR 20 remains up to that Committee. Legislative Council recommended that a subcommittee be considered, but until EAIC knows if that is certain, then only tentative plans may be made, including determining who on the EAIC might want to serve on a subcommittee for HJR 20. See Appendix E for more details on the HJR 20 study.

For the **HB 661** study of the Veterinary Diagnostic Laboratory and other labs at Montana State University-Bozeman, the Legislative Finance Committee has the lead role. See Appendix F for a review of the proposed study.

### **IV. Other Interim Activities**

The EAIC's opportunity to "accumulate, compile, analyze, and furnish information" (as related to its assigned duties or existing or prospective legislation) means that guest speakers may be scheduled to provide information on relevant topics. Members may propose investigation of emerging issues at any time during the interim. Agencies also may request that the Committee study an emerging issue that has resulted from court decisions, federal actions, or another cause. Emerging issues are not necessarily member issues and may be raised by an agency or by staff. But to be on the agenda, the issue must be requested by the presiding officer or other

EAIC members. Staff resources are limited, so additions to a work plan must be accompanied by deletions to maintain balance.

**V. Member Issues**

EAIC members have an opportunity to put more or less emphasis on subjects under their purview as a way of making time for EAIC-relevant member issues. EAIC members and staff have recommended various topics for possible consideration this interim (see Appendix A).

**VI. Staff Recommendations for Additional Activities**

If additional issues arise, staff will ask members to determine whether further background information or action is desired.

**VII. Interim Calendar**

The following schedule provides an overall road map for accomplishing required duties.

**Table 2: Meeting Dates and Proposed Topics and Tasks**

Date	Phase	Research Tasks/Policy Issues
June 14, 2017	Organizational  Rule Review  Studies	*Elect Officers *Appoint liaisons to: Montana State Fund Rail Services Competition Council Subcommittee on HB 661 laboratory study *Decide work plan (determine involvement in rule review, extent of agency monitoring, member issues, meeting times)  Work plans related to assigned studies
August (early) ??		
September 14, 2017	Work Plan  Agency Monitoring  Studies  Rule Review  Member/Emerging Issue	Review Which Advisory Council/Committees to review Revise/Adopt  Two Agency Presentations? Montana State Fund budget  SJR 20 - Unemployment Overview - speaker on various ways of identifying unemployment SJR 27 - Presentations based on selected goals SJR 32 - Presentations based on selected goals

Sept. 12	Subcommittee??	
October ??	Subcommittee??	
November 14, 2017	Studies  Agency Monitoring  Rule Review  Member Issues	SJR 20 - Unemployment Overview - panel on uses and placement of Job Service Offices  SJR 27 - Presentations based on selected goals SJR 32 - Presentations based on selected goals  Two Agency Presentations?
December 14, 2017	Subcommittee??	
January 2018 ??	Subcommittee??	
<b>Date</b>	<b>Phase</b>	<b>Research Tasks/Policy Issues</b>
February 7-8, 2018	Studies  Agency Monitoring  Rule Review  Member Issues	SJR 20 - Unemployment Overview - Overview of skills training, job potential in high-poverty areas  SJR 27 - Presentations based on selected goals  Two or Three Agency Presentations? Montana State Fund budget
March 2018	Subcommittee??	
April 26-27, 2018	Studies  Agency Monitoring  Rule Review  Member Issues	SJR 20 - Unemployment Solutions?  SJR 27 - Narrowing of subject area to focus on legislation  Two or Three Agency Presentations?
May 2018 ??	Subcommittee??	

June 28, 2018	Studies  Agency Monitoring  Rule Review  Member Issues	SJR 20 - Potential legislation and draft of final report  SJR 27 - Potential legislation and draft of final report  Possible early legislation presentation?
July 2018 ??		
August 2018 ??		
Sept. 6, 2018	Studies  Agency Monitoring  Legislative Review  Member Issues  Rule Review	Wrap-up:  Last meeting usually involves presentation of required reports -- in part because they are not completed earlier  Committee bills? All monitored agencies' bill drafts

**VIII. Web Resources**

Information about the Committee is available through the legislative website, under Committees, Interim, Economic Affairs. At that site, staff will post information regarding Committee activities, minutes, agendas, study reports, and relevant information. The site also provides links to the websites of agencies for which the Committee is responsible.

Legislative Services: <http://leg.mt.gov/eaic>.

**IX. Matrix for Prioritizing the Focus of Meetings**

Table 3 provides a brief description of the Committee's involvement over the course of the interim. The columns provide members with options for allocating their time. It is anticipated that choosing the most involvement for each activity will seriously tax the EAIC's time, staff resources, and budget. The table is intended to be flexible yet help the Committee members recognize that only a limited amount of Committee time is available for activities that are not mandated.

## EAIC Matrix for Setting Priorities for Interim Committee Activities

ACTIVITY	Most Involvement	Moderate Involvement	Minimal Involvement
<p><i>RULE REVIEW</i></p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> <li>▶ Request written or oral reports, including analysis by legal staff at each meeting on all proposed rules or adoption notices for each agency monitored.</li> <li>▶ Request copies of rules from agencies for legislators' personal review.</li> <li>▶ Seek public comment on rules of concern.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Request brief written description of all rules prior to Committee meetings (from this meeting).</li> <li>▶ Review only topics in Committee that:               <ol style="list-style-type: none"> <li>1) legislators flag as important or of concern; or</li> <li>2) a member of the Committee asks be placed on the EAIC agenda.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Hear information only on issues that Committee legal staff considers to be out of compliance with statutes or legislative intent.</li> </ul>
<p><i>DRAFT LEGISLATION REVIEW</i></p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> <li>▶ Request reports from agencies on legislative proposals submitted in early 2018 to the Office of Budget and Program Planning. Include panel presentations to familiarize Committee with issues.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Provide time at June and August 2018 meetings, one for initial concept review and the other for follow-up briefings for complex legislation.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Overview of concepts on each item of legislation at final meeting.</li> </ul>
<p><i>AGENCY MONITORING</i></p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> <li>▶ Each agency division would give an initial overview presentation.</li> <li>▶ Any agency with further statutory reporting requirements would give an oral report to the EAIC.</li> <li>▶ EAIC members specify follow-up reports on program specifics.</li> </ul>	<p>Basic involvement needed:</p> <ul style="list-style-type: none"> <li>▶ Each agency head would provide a brief overview of activities.</li> <li>▶ Any agency with further statutory reporting requirement would give an oral report.</li> </ul>	
<p><i>HB 142 REVIEWS</i>  <i>A review of the necessity of advisory councils, etc., or reports linked to agencies that EAIC monitors.</i></p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> <li>• Review the 35 advisory councils / reports and advisory groups of all types. Some would just be monitored; others would include a "sunset" review with public comment followed by a vote by the Committee on whether to retain.</li> </ul>	<ul style="list-style-type: none"> <li>• Have presentations on the 13 statutory advisory councils and reports required for review, public comment, and votes by the Committee on each along with up to 4 other advisory committees from the list on pp. 7-8.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide a briefing paper for each of the 13 statutory advisory councils and reports, with the committee deciding if any need a review. If a review is needed, there would be public comment and a vote of the Committee.</li> </ul>

<b>INVOLVEMENT LEVEL</b>	<b>Most</b>	<b>Moderate</b>	<b>Minimal</b>
<p><i>MONITORING IMPORTANT ACTIVITIES (may be based on member issues -- see below)</i></p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> <li>• Outline up to 5 topics chosen at the first meeting to be addressed at subsequent meetings.</li> <li>• Include staff-prepared "white papers" on each topic.</li> <li>• Discussion by EAIC.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Outline up to 3 topics chosen at the first meeting to be addressed at subsequent meetings.</li> <li>▶ Staff briefing papers on topics of interest.</li> <li>▶ Discussion by EAIC.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Topics limited to those presented by interested persons who ask to be on agenda.</li> <li>▶ Copies of relevant reports provided to Committee.</li> <li>▶ No staff briefing or "white papers."</li> </ul>
<p><i>MEMBER ISSUES (see also Monitoring Important Activities above)</i></p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> <li>▶ Each meeting would have 1 member issue on the agenda, with presentation by an identified expert (6 or 7 topics in total).</li> <li>▶ Provide a white paper on designated issues.</li> <li>▶ Draft related legislation.</li> </ul>	<ul style="list-style-type: none"> <li>▶ 4 or 5 member issues would be addressed, with a presentation by an identified expert.</li> <li>▶ Staff to prepare briefing papers or draft legislation as issues arise.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Address no more than 2 member issues as time allows, with staff providing copies of relevant outside reports to EAIC.</li> <li>▶ No staff briefing or white papers.</li> <li>▶ 1 or 2 presentations, if any.</li> </ul>
<p><i>ASSIGNED STUDY: SJR 20 - determining how to improve employment in high-poverty counties</i></p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> <li>▶ Briefing papers (as listed at far right).</li> <li>▶ 3-4 presentations to go more in-depth on the topics at right plus greater participation by employers and those involved in economic development.</li> <li>▶ Public comment opportunity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Briefing papers (as listed at right).</li> <li>▶ 2 presentations more in-depth on topics listed at right.</li> <li>▶ Public comment opportunity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Briefing papers on various ways to assess employment.</li> <li>▶ 1 panel discussion of job service activities, tribal and MUS, community college efforts to align job openings with skills, economic development components.</li> <li>▶ Public comment opportunity</li> </ul>
<p><i>ASSIGNED STUDY: SJR 27 - Study of workers' compensation</i></p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> <li>▶ Focus on State Fund and 2-3 other issues.</li> <li>▶ Briefing papers on 8-10 issues.</li> <li>▶ 3 to 4 panel presentations outlining workers' compensation employer and employee concerns.</li> <li>▶ Determine if legislation is to be introduced and, if so, have related presentations.</li> <li>▶ Public comment opportunity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Focus on State Fund and 1 or 2 other topics.</li> <li>▶ Panel presentations and briefing papers on selected issues.</li> <li>▶ Determine if legislation is to be introduced and, if so, have presentations related to bill drafts.</li> <li>▶ Public comment opportunity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Focus only on State Fund.</li> <li>▶ 1 -2 panel presentations</li> <li>▶ 1-2 briefing papers.</li> <li>▶ Determine if legislation is to be introduced and, if so, have presentations related to bill drafts.</li> <li>▶ Public comment opportunity</li> </ul>

<p><b>ASSIGNED STUDY:</b> <b>SJR 32 -</b> Study of emergency medical services and scope of practice</p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> <li>▶ Briefing papers on 4 or 5 issues listed in SJR 32.</li> <li>▶ 4 panels</li> <li>▶ Determine if legislation is to be introduced and, if so, have presentations related to bill drafts.</li> <li>▶ Public comment opportunity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Briefing papers on 2 or 3 issues listed in SJR 32.</li> <li>▶ 2 -3 panels</li> <li>▶ Determine if legislation is to be introduced and, if so, have presentations related to bill drafts.</li> <li>▶ Public comment opportunity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Briefing papers on 1 or 2 issues listed in SJR 32.</li> <li>▶ 1 panel presentation</li> <li>▶ Determine if legislation is to be introduced and, if so, have presentations related to bill drafts.</li> <li>▶ Public comment opportunity</li> </ul>
<p><b>ASSIGNED STUDY:</b> <b>HJR 20 -</b> Study of healthcare transparency</p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> <li>▶ In addition to actions at right, request that one or more similar presentation given to the subcommittee also be given to the full committee.</li> </ul>	<ul style="list-style-type: none"> <li>▶ In addition to actions at right, request that subcommittee briefing papers be provided to the full committee.</li> <li>▶ Public comment opportunity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Determine who may want to participate in a subcommittee on HJR20. Potentially 8 meetings tied to dates of Children, Families, Health and Human Services meetings.</li> <li>▶ Set committee goals.</li> <li>▶ Review possible legislation for joint sponsorship.</li> <li>▶ Public comment opportunity</li> </ul>

In calculating the EAIC's allocation of its meeting time, the following table may be helpful.

<b>Responsibilities</b>	<b>Time Needed</b>	<b>Total Meeting Hours</b>
Administrative & statutory duties <ul style="list-style-type: none"> <li>▶ Rule review</li> <li>▶ Agency monitoring</li> <li>▶ Agency legislation review</li> </ul>	<ul style="list-style-type: none"> <li>▶ 10 minutes for rule review at each meeting unless there's a concern</li> <li>▶ Up to 1 hour for each agency monitored</li> <li>▶ Varies from 15 minutes for 1 agency to ~ an hour.</li> </ul>	12 to 14 hours (depending on rule review contention and level of monitoring)
<ul style="list-style-type: none"> <li>▶ HB 142 reviews</li> </ul>	<ul style="list-style-type: none"> <li>▶ 20 minutes to 45 mins. for each (approximately)</li> </ul>	Depends on number of reviews chosen, including final report review at last meeting. At least 3 hours.
<ul style="list-style-type: none"> <li>• Review of active guidance on board antitrust issues</li> </ul>	<ul style="list-style-type: none"> <li>• 5 minutes to 45 mins. for each (6 issues at least)</li> </ul>	30 minutes total up to about an hour (with public comment) at each meeting. About 3 hours to 6 hours.
Studies		21 to 40 hours
Member issues	Depends on work plan	9 to 30 hours (of ~70), 41 to 54 of 94
Total		Minimum w/o member issues - 48 hours Maximum w/o member issues - 63 hours Budget allows ~ \$2,500 for 1-day meet \$4,000 for 2-day meeting Proposal is 5 1-day meetings, 2 2-day



## APPENDIX A

### Member Issues and Possible Emerging Issues

The following table includes suggestions from EAIC members (and staff) and provides space for you to include suggestions for "other" topics of consideration. We'll fill in dates later.

Topic	Possible Activity	Date
<b>Agriculture</b>		
Genetically modified or engineered organisms -- current status in Montana	<ul style="list-style-type: none"> <li>Although a proposed study of GMO impacts on Montana wheat markets was not introduced, some people are concerned about GMO impacts on agricultural trade. A panel discussion on the pros and cons and concerns may be informative.</li> </ul>	
Growth through Agriculture Program	<ul style="list-style-type: none"> <li>This program awards grants and loans to ag-related projects and is funded under 15-35-108 from coal severance taxes. Funding of \$625,000 a year expires June 30, 2019. Will there be an effort to continue the funding or has the program served its purpose?</li> </ul>	
Trade issues	<ul style="list-style-type: none"> <li>Revisions to the North American Free Trade Agreement, which is under a 90-day consultation period (roughly through mid-August) to determine changes thought to be necessary by Congress and the Trump Administration. NAFTA impacts trade in agriculture goods and in other goods. A panel on trade with Canada, Mexico might shed light on the role of NAFTA in Montana trade.</li> </ul>	
Other?		
<b>Housing/Finance/Investments</b>		
Successor Liability -- for unpaid water bills, etc.	<ul style="list-style-type: none"> <li>Sen. Eric Moore's bill to allow liens for unpaid water bills met some technical concerns and did not pass. Although this is probably a local government issue, the use of liens often is a business/labor issue. This also relates to real estate sales. Possible panel discussion.</li> </ul>	
Vacation Rentals	<ul style="list-style-type: none"> <li>What regulations, if any, are on vacation rentals by owner, or other short-term rental properties? What is the role of government, if any, related to rentals of private property?</li> </ul>	
Landlord-Tenant Laws	<ul style="list-style-type: none"> <li>As a real estate business, home rentals and property management are an area that come under the EAIC's purview. Various changes in the landlord-tenant act were made in the 2017 Legislature, but one bill (SB 251) to expand landlord rights was vetoed with a recommendation to undertake further study of the issue. What regulations, if any, would balance the landlord-tenant rights and maintain a rental housing supply? What is the role of government, if any, related to rentals of private property?</li> </ul>	

Montana's Board of Housing and the Veterans Home Loan Program - How are they working?	<ul style="list-style-type: none"> <li>The Board of Housing in the Department of Commerce is under the EAIC oversight/monitoring umbrella. Is the Board of Housing fulfilling its responsibilities? Are changes needed in legislation to improve its success? Possible presentation.</li> </ul>	
Banking, especially changes to banks and credit unions in Montana from changes brought by the Dodd-Frank Act	<ul style="list-style-type: none"> <li>What is the home loan situation in Montana? Are foreclosures still a problem for banks? Are new home or small business loans difficult to come by? Has the <i>Morrow v Bank of America</i> case stifled loans or loan discussions? Review impacts from Dodd-Frank mortgage changes (20% down, revisions to what is required for refinancing, bank requirements to retain portion of mortgage) on Montana's housing construction and home sales. Possible changes in Dodd-Frank in the new Congress. Possible panel discussion.</li> </ul>	
How investments in cows, liquor licenses, or other nontraditional items affect business developments in Montana	<ul style="list-style-type: none"> <li>Loans or investments based on a tangible commodity other than land is common. In the 2015 Legislature, topics varied from selling fractional shares of cows (during discussions of the raw milk bill, HB 245) to bankers' interest in the way Montana has quotas for all-beverage licenses.</li> </ul> <p>How lending works outside the normal box would involve a discussion among panelists from the State Auditor's Securities Office and the Commissioner of Banking and Financial Institutions.</p>	
Other?		
<b>Economic Development</b>		
Broadband Issues	What state actions would best expand broadband access throughout the state? Less regulation? More funding? What can legislators do to improve access or affordability?	
What is the future of Montana's economic development programs?	<p>Is it time for the severance coal tax money to sunset (as currently in law for June 30, 2019). This money allocated under 15-35-108 currently goes to:</p> <ul style="list-style-type: none"> <li>the Cooperative Development Center</li> <li>the Growth through Agriculture Program</li> <li>the Department of Commerce for small business development, innovative reserach, certified regional development corporations, the Montana Manufacturing Extension Center and export trade enhancement.</li> </ul>	
Tourism funding and the new distribution for Indian tourism	The lodging tax imposed under 15-65-111, MCA, is distributed as provided in 15-65-121. The EAIC might want to assess whether distribution is achieving desired goals.	

Barriers to business entry	<ul style="list-style-type: none"> <li>Lack of financing options may be one barrier to starting a business but another often-cited problem is lack of a qualified workforce. The Economic Affairs Interim Committee may want to look at what state agencies are doing to resolve barriers to business entry, whether those barriers are regulatory or stem from having too many different requirements from too many agencies. One or more panel discussions might be needed to address this topic fully. A presentation on Main Street Montana findings would be incorporated, as would the Dept. of Labor and Industry's interaction with the colleges This might be wrapped into the SJR 20 study.</li> </ul>	
Ways to improve business regulation (perhaps focus on one industry)	<ul style="list-style-type: none"> <li>One-stop shopping for business applications is an ideal. How well is it working? What businesses are not covered and can they easily be?</li> <li>What business regulations are common among all industries (from alcohol sales to zoonotics)? Can the right and left hands of government find a common bond to prevent duplication and confusion?</li> </ul>	
Other?		
<b>Insurance</b>		
Health insurance changes	<ul style="list-style-type: none"> <li>With Congress working on dismantling the Affordable Care Act, and possibly putting something in its place, what impacts are expected in Montana's insurance market? Updates from the State Auditor's Office on this subject once or twice or more?</li> </ul>	
Insurance competition	<ul style="list-style-type: none"> <li>The committee may want to examine competition in the insurance industry, whether related to workers' compensation insurance, medical malpractice insurance, health insurance, or other types of insurance. Would changes in law be needed to encourage competition or is lack of population a driving factor?</li> </ul>	
Other?		
<b>Livestock</b>		
Budget issues	<ul style="list-style-type: none"> <li>Review Dept. of Livestock budget and structural balance to determine whether the department is on solid footing.</li> </ul>	
Brucellosis and the Designated Surveillance Area	<ul style="list-style-type: none"> <li>Follow up on work of the 2009-2010 EAIC regarding the Board of Livestock and the Department of Livestock actions related to brucellosis in the areas near Yellowstone National Park. Are veterinarians appropriately paid for the brucellosis checks? What actions is the Interagency Bison Management group taking to decrease the spread of brucellosis in elk? Schedule at least one presentation regarding the Interagency Management Plan and the work of multiple agencies related to bison.</li> </ul>	

Veterinary Diagnostic Laboratory and other laboratories	<ul style="list-style-type: none"> <li>• HB 661, led by the Legislative Finance Committee, requires 2 people from EAIC and 2 from the Environmental Quality Council to join with 2 members of the Legislative Finance Committee to review laboratory needs and possible construction of a multi-use laboratory.</li> </ul>	
12-Day Milk Rule	<ul style="list-style-type: none"> <li>• Enforcement by sanitarians may mean all milk is destroyed rather than being given to food banks. What is status of the rule? Status of enforcement?</li> </ul>	
Other?		
<b>Employment / Unemployment / Labor</b>		
Unemployment issues	<ul style="list-style-type: none"> <li>• If the state's unemployment rate is lower than the national average but the rate is higher on Indian reservations, is the state doing all it can to achieve better employment opportunities in high-poverty areas? Are job service offices located in the most beneficial sites and does the Legislature have any say in locations or just in personnel and staffing? The SJR 20 study would address issues like this.</li> </ul>	
Workforce development	<p>Reports on:</p> <ul style="list-style-type: none"> <li>• implementation of workforce aspect of Medicaid revision</li> <li>• incumbent worker training</li> <li>• foreign labor certification program</li> <li>• activities aimed at improving ways to adjust to changes in job demands in the Bakken.</li> </ul>	
Ban the box options for employment applications	<ul style="list-style-type: none"> <li>• Two proposals in the 2017 Session related to changing the way job applications ask for information. Other states also are looking at: <ul style="list-style-type: none"> <li>• banning questions about how much an employee made in previous jobs;</li> <li>• banning a requirement to put a first name on a job application or a box regarding gender;</li> <li>• banning a question as to whether an applicant has a criminal record.</li> </ul> </li> </ul>	
Other?		
<b>Professional / Occupational Licensing</b>		
Monitor use of active supervision (as allowed under HB 141)	<ul style="list-style-type: none"> <li>• Determine Commissioner of Labor's workload expansion under HB 141, the active supervision bill. This new law also statutorily requires EAIC to monitor active supervision recommendations.</li> </ul>	
Monitor board solvency and changes allowed in boxing program	<ul style="list-style-type: none"> <li>• Determine which boards need additional oversight or monitoring based on budget, numbers of complaints, other?</li> <li>• Is the boxing program more solvent than in the past?</li> </ul>	

Streamline or decrease regulation of boards	<ul style="list-style-type: none"> <li>• Solicit recommendations from licensees (or board members) as to ways to decrease state involvement with licensing boards.</li> </ul>	
Other?		
<b>Workers' Compensation</b> (in addition to SJR 27 study or as part of the study)		
Examine presumptive illness for firefighters	<ul style="list-style-type: none"> <li>• SB 72 did not survive the House based on a variety of concerns about presumptive illness. The Committee might want to further examine this issue.</li> </ul>	
Drug Formulary Development	<ul style="list-style-type: none"> <li>▶ SB 312 allowed creation of a prescription drug formulary for workers' compensation. Monitor implementation.</li> </ul>	
Workplace safety	<ul style="list-style-type: none"> <li>▶ Follow up on the work of WorkSafeMT and reports from OSHA regarding private-sector contacts, whether for citations or recommended changes.</li> </ul>	
Impact of claim closure from HB 334 in 2011 session	<ul style="list-style-type: none"> <li>▶ HB 334 enacted by the 2011 Legislature provided that workers' compensation claims would end after 5 years unless special circumstances apply. The 5-year period for the first batch of claim closures on injuries that occurred on or after July 1, 2011, closed as of July 1, 2016. What has been the impact?</li> </ul>	
Followup on HB 358 regarding authorization to share medical information	<ul style="list-style-type: none"> <li>▶ HB 358 allowed denial of benefits if an injured worker did not allow sharing of medical information with insurers regardless of whether the injured worker was aware of the sharing (ex parte communication). The governor's veto said there were concerns about privacy except for sharing of administrative information. Is there an approach that satisfies both the concerns of the insurers and concerns about private medical information? What do other states allow?</li> </ul>	
Treating physician concerns	<ul style="list-style-type: none"> <li>▶ HB 229 would have returned to previous law to allow the injured worker to decide on the treating physician. If the issue of treating physicians is problematic, what options might give both insurers and injured workers some assurance that appropriate steps are being taken?</li> </ul>	
Examine the use of mod factors, subrogation, and no fault in work comp in light of pooled insurance risk.	<ul style="list-style-type: none"> <li>▶ Even if an employer is not at fault for an injury, the employer's premiums may go up based on claims, which affect the employer's mod factor for 3 years. Is there a way of distinguishing for no-fault situations, including 3rd party cases that are difficult to subrogate, so that the no-fault employer is held harmless or harmed for less time?</li> </ul>	
Other?		

Other?		

## Appendix B

Study Plan for SJR 20 - A study of factors affecting unemployment in high-poverty areas and potential solutions

### Issue(s) as listed in legislation:

- Certain measurements of unemployment rates may make application for grants to address unemployment more difficult in a large, diverse state like Montana where overall unemployment rates are low but are higher in high-poverty counties, including Indian reservations.
- The variation in statewide unemployment may have diverse reasons as to why those currently not working have not entered the workforce. These include a scarcity of jobs in some areas and high-poverty rates, as well as a dearth of child care, accommodations for disabilities, or transportation options.

### Preliminary study approach:

The study proposes to look at:

- job availability throughout the high-poverty areas;
- the match of job availability to skills needed for the jobs;
- wages paid for jobs in high-poverty areas and whether fringe benefits are attached;
- transportation availability to get to jobs and the costs for transportation either to an employer providing transportation or to the employee. Specific attention would be paid to those employers who have provided transportation.
- availability of accommodations for disabilities and types of disabilities in various regions and analysis of whether the lack of accommodations is a reason for people not working;
- availability of child care or elder care, either through an employer or through private-sector or public options;
- access to Job Service Offices or third-party equivalents and availability of services and programs related to employer and employee training opportunities; and
- availability of internet and broadband or other services that enable workers to work from home or provide technological infrastructure to encourage businesses to locate in high-poverty areas.

The study also proposes to hear from:

- the Montana Career Information System regarding course offerings at tribal, community, and Montana University System colleges as well as the Job Service Offices to get a better understanding of the job services and training available in high-poverty areas; and
- experts on unemployment to expand understanding of the various measurements of unemployment and to determine what measurement is most likely to target intractable unemployment and be beneficial for job-related grants or other applications for job-related resources.

### Deliverables; end products:

- Panel presentations:
  - Job service locations, activities, and options
  - Efforts by colleges (4-year and 2-year, including tribal colleges) to collaborate with employers to carry out needed skills training
  - Impacts of targeted business/job creation through state incentives and efforts of local economic development organizations, chambers of commerce
- Briefing papers:
  - Paper on how the Department of Labor and Industry figures unemployment and the various forms of calculating who is in and out of the workforce
  - Research into availability and feasibility of broadband in high-poverty areas
  - Research into transportation options, their successes or misses, for getting people to jobs elsewhere

- Research into availability of child care and elder care either in high-poverty areas or at job locations.
- Recommendations, final report, and legislation if determined by the committee.

## Appendix C

### **Study Plan for SJR 27 - A study of Montana State Fund and options for providing workers' compensation insurance in Montana**

This study is the latest of many on workers' compensation. The intent was to look at Montana State Fund in light of two bills introduced in the 2017 Legislature, one of which dissolved Montana State Fund and the other that proposed revising how Montana State Fund operates. The sponsor suggested the study be as broad as possible in an effort to address the many aspects that contribute to Montana's higher-than-national-average workers' compensation premiums.

#### **Issue(s) as listed in legislation:**

- Montana State Fund serves as a guaranteed market for workers' compensation insurance in Montana and, in part because of that, does not pay premium insurance taxes.
- Changes to Montana State Fund's operating structure, whether dissolution as proposed in one bill in the 2017 session or a switch to a domestic mutual insurer as proposed by another bill, might impact small businesses and agricultural interests in ways that have not yet been studied.
- Montana's workers' compensation premiums remain 11<sup>th</sup> highest in the nation as measured by an Oregon state poll, conducted biennially.

#### **Preliminary study approach:**

- Determine whether to study only the future of Montana State Fund or to study State Fund and additional issues.
- Examine the role and costs of Montana State Fund in providing the guaranteed market to determine if not paying premium insurance taxes puts Montana State Fund at a competitive advantage over other workers' compensation insurers or if having to provide insurance to all comers, regardless of risk, is a competitive disadvantage.
- Examine changes in premium rates for all classes of industry in states that have removed use of a state fund as a guaranteed market.
- Request Montana State Fund or the State Auditor's Office to conduct an informal actuarial study to determine if loss of the state employee portfolio would be a benefit or a detriment to the state.
- Examine the costs and premiums paid by small businesses without experience rating and agricultural businesses. Seek out examples from Montana State Fund and other insurers for these two users of a guaranteed market.
- Review requirements and experiences in other states that use alternatives to a guaranteed market for covering businesses that have no experience rating, are small, or have high risk.
- Review identified cost drivers, including Montana's high injury rate and the number of people who remain on workers' compensation for more than 5 years. If the committee wants to look at the impact of benefits on costs, the recommendation is to look at comparable states' safety nets to determine if cost-shifting occurs between workers' compensation and other types of insurance, including unemployment and health insurance as well as social security disability insurance.

#### **Deliverables; end products:**

- Panel presentations:
  - exploring the impact on Montana State Fund's competitiveness of not having to pay a tax on premiums, having a captive market for Montana state agencies' book of business, and having to serve as a guaranteed market

- reviewing options for hard-to-insure employers whether because they lack experience or have been turned down by other insurers for too many claims or other reasons. Options include risk pools, a guaranteed market, use of rating tiers.
- discussing changes in the workers' compensation market from various influences, including impacts of [HB 334](#) in 2011, changing demographics, use of captive insurers, putting Montana State Fund under the State Auditor's Office and changes brought by [SB 123](#) in 2015, including changes to agriculture classifications
- examining cost drivers for claims, including high accident rates in Montana and looking at other states to see if there is an indication that workers' compensation is used in Montana as a substitute because of less availability of health insurance or unemployment insurance
- examining the states that have removed a state fund from their workers' compensation market and the impact of going from a 3-tiered system (self-insured, private insurer, and state fund) to a 2-tiered system (self-insured and private).
- Briefing papers on:
  - premium averages and market comparisons in states that have discontinued use of state funds
  - an overview of what testimony indicated led to creation of the Old Fund (for accidents that occurred prior to July 1, 1990) and the New Fund (for accidents that occurred on or after July 1, 1990). What historical lessons can be learned?
  - costs and benefits of being a state-affiliated, public corporation and what potential impacts a dissolution of Montana State Fund would have on its employees, the state's pension system having to make whole the existing MSF pensioners without the equivalent number of employees paying into a system, and the fiduciary services provided by the Board of Investments to Montana State Fund
- Possible legislation.
- Final report.

## **Appendix D**

### **Study Plan for SJR 32 - A study of emergency care providers' training and scope of practice with attention to veterans' health access and suicide prevention.**

This study resolution incorporates interests posed by both [SB104](#) and [HB 612](#) regarding a system of community care that incorporates emergency care providers for nonemergency care.

#### **Issue(s) as listed in legislation:**

- review current laws related to training, licensure, and scope of practice for emergency care providers
- study the role that emergency care providers could have in the overall health care system, particularly in providing community-based, nonemergency health care as a means of preventing the need for emergency care
- examine the special health care needs of veterans and their families and whether a special endorsement in veteran emergency care is a solution to help address those needs

#### **Preliminary study approach:**

- Research the current licensure and scope of practice laws and administrative rules for emergency care providers
- Research the use of emergency care providers for nonemergency care in other states
- Research the use of a veteran emergency care provider endorsement or designation in other states and impacts on providing nonemergency care or avoiding emergency care
- Incorporate presentations by stakeholders, including the Department of Public Health and Human Services, the Board of Medical Examiners, the Department of Military Affairs, emergency medical services providers, veterans' organizations, and hospitals.

#### **Deliverables; end products:**

- Panels on:
  - role of various health providers in emergency/nonemergent care and the training for both types of care
  - costs to patients (with or without insurance) for service using persons trained in various scopes of practice as compared with a person trained across disciplines
  - options available for veteran mental and physical health care.
- Briefing papers on:
  - the status of emergency care providers' training, scope of practice, and payment mechanisms in this state and options in other states related to community care
  - veterans' health needs, existing services, and gaps in the system.
- Possible legislation.
- Final report.

## Appendix E

### Study Plan for HJR 20 - A study of health care transparency.

This study, ranked first in the post-session poll of legislators as to which studies the legislators most wanted studied, asked for examination of factors influencing the cost of health care services, efforts at transparency in Montana and elsewhere, efforts to include quality as well as cost information and efforts that can be made to encourage consumers to make informed health care decisions.

Legislative Council assigned this study to the Children, Families, Health and Human Services (CFHHS) Interim Committee and suggested that:

- a subcommittee is an option and could include stakeholders;
- some money (possibly \$5,000) be allocated from the Council's emerging issues budget to help pay for the costs of the subcommittee. The rest would have to come from CFHHS and EAIC (if joining).
- the presiding officers of CFHHS and EAIC consider a joint subcommittee.

#### What activities have taken place so far:

- the sponsor of HJR 20 has proposed 8 meeting dates, all attached to the CFHHS proposed schedule. These dates tentatively are:
  - June 29 - organizational meeting
  - Sept. 12 - CFHHS meeting Sept. 11
  - Nov. 16 - CFHHS meeting Nov. 17
  - Jan. 18 - CFHHS meets Jan. 19
  - March 21 -- CFHHS meets March 22-23
  - May 15 - CFHHS meets May 14
  - June 21 -- CFHHS meets June 22
  - Aug. 22 -- CFHHS meets Aug. 23-24
- Budget/staffing and stakeholder members are subject to Legislative Services and CFHHS, respectively, with EAIC membership on the subcommittee subject to CFHHS decisions to be made in late June. EAIC members can let CFHHS know whether a joint subcommittee is desired.

Proposed topics outlined by the sponsor:

September	Determine charge/duties/procedures for the group Review terms, meeting topics Get introduction to health care costs, reimbursements, and pricing
November	Focus on factors influencing healthcare service pricing, including differences attributable to various different service models
January	Efforts in other states or by various entities to inform consumers
March	Healthcare delivery models, quality measures, including accreditation
May	Sources and tools for consumer information, bill formatting
June	Role of state in transparency and cost controls - using policy for evidence-based approaches to pricing
August	Conclusions, recommendations, legislation and final report

The meeting schedule and topics may be modified based on CFHHS decisions or budget considerations.

#### Issue(s) as listed in legislation:

- Factors influencing the cost of healthcare services, including differences attributable to different delivery system models;
- efforts in other states and by organizations in Montana to make healthcare cost information more widely available to consumers;
- ways to improve consumer understanding of the different factors affecting the costs that are charged and the costs they must pay;
- ways to encourage consumers to make informed healthcare decisions;
- existing price transparency tools and health quality measures;
- ways to ensure that price transparency efforts give consumers information about both costs and quality of services; and
- the role of the state in improving healthcare price transparency.

**Preliminary study approach:**

- Research the factors involved in the pricing and cost of healthcare and health insurance, including reimbursement models used by different insurers and the number of Montanans covered by various types of insurance models or government payment programs.
- Research existing transparency and quality measure efforts in Montana and other states, including healthcare consumer education efforts.
- Meet with stakeholders to identify the opportunities and options for establishing transparency tools, as well as the costs of those options and insurer concerns. Stakeholders include insurers, healthcare providers of all sizes and types, associations representing healthcare facilities and other healthcare providers, patient advocacy groups, local government insurance plans, the State Auditor's Office, the Department of Administration, and the Montana University System.

## Appendix F

### House Bill No. 661 study of livestock and agriculture-related laboratories at Montana State University-Bozeman.

#### Issue(s) as listed in legislation:

- study is of long-term future of and possible efficiencies to be gained from state supported labs on the Montana State University campus in Bozeman.
- labs listed in the study are the Veterinary Diagnostic Laboratory, the wool lab, the wildlife lab, and the seed lab.
- a subcommittee approach is provided with members from the Legislative Finance Committee, the Environmental Quality Council, and the Economic Affairs Committee. Subcommittee members are to be named by each body.

#### Study Approach:

- the subcommittee is to develop and analyze at least three economically viable proposals for each lab including:
  - necessary infrastructure changes and upgrades, their costs, and potential funding sources;
  - organizational changes and any financial efficiencies they would create; and
  - statutory changes needed to facilitate proposed infrastructure or organizational changes.

#### Additional Information:

The study is directed to the Legislative Finance Committee and includes a \$61,250 appropriation. Projected study costs include onsite visits to the labs and comparison with labs in other states, including possible onsite visits. Engineering and architecture consultants may be consulted. Costs also may cover member and staff training.

The Economic Affairs Interim Committee [studied the labs in 2009-2010](#). A [legislative audit was conducted on the veterinary diagnostic lab](#) in 2016. A followup to the audit is expected to be completed by late September. The followup is expected to determine if the Veterinary Diagnostic Lab has worked on its test cost assessments as a way of determining what various tests cost and how much can be charged to keep the labs competitive with other labs, how much might be subsidized with general fund spending if there is a public health component, and how much industry support may be relied on through per capita fees.

Results of the studies to date and close monitoring of the Department of Livestock during the past three interims indicate some key questions are whether Montana State University is interested in continuing as the host for each of the labs, whether the mix of state agency laboratories based on a university campus provides efficiencies or just confusion as to authority, and whether the labs provide enough value to the state to continue and, if so, to what degree.

The following links contain information provided to past Economic Affairs Committee meetings:

August 2016 [letter](#) from EAIC to MSU on future of labs:  
[Response](#) from MSU in October 2016

August 2016 [letter](#) on proposed multi-use lab complex from Dept. of Livestock

April 2016 meeting – Livestock special revenue [comparison chart](#):  
Related [chart on special revenues](#)

FY2017 Per Capita [fee rates](#)

[2015 letter proposing stakeholder lab group from Nina Baucus \(Board of Livestock member\)](#)

December 2015 stakeholder group reported on [long-range goals](#) related to the Diagnostic Lab  
December 2015 budget [report from stakeholder group](#):

Use of fees to finance various aspects of the Dept. of Livestock is discussed in the [2013-2014 final report](#) and a [staff briefing paper](#).

[Survey](#) by Montana Veterinary Medical Association regarding use of Diagnostic Lab in 2015

[Staff report in 2014](#) on types of tests run by Veterinary Diagnostic Lab, staffing, and out-of-state lab costs

[Letter](#) to the Legislative Finance Committee regarding EAIC conclusions to date (2014) on the need for a Veterinary Diagnostic Lab

[2014 report](#) provided to the EAIC on the number of zoonotic tests that have a public health component and potential costs of a new lab combining the Veterinary Diagnostic Lab and the Fish, Wildlife, Parks lab.

<http://leg.mt.gov/content/Committees/Interim/2013-2014/Economic-Affairs/Meetings/September-2014/vet-lab-combo-document.pdf>