



LEGISLATIVE FINANCE COMMITTEE

68th Montana Legislature

SENATE MEMBERS

Mike Cuffe
Janet Ellis
Tom Jacobson
Bob Keenan
Ryan Lynch
Daniel Salomon

HOUSE MEMBERS

David Bedey
Mary Caferro
Frank Garner
Jim Hamilton
Kenneth Holmlund
Llew Jones
Jim Keane
Emma Kerr-Carpenter
Bill Mercer
Sharon Stewart Peregoy
Matt Regier
Jonathan Windy Boy

COMMITTEE STAFF

Amy Carlson - Legislative Fiscal Analyst
Julie Johnson - Attorney
Kathy Sangray - Secretary

MINUTES LOG

September 15, 2022
Room 317
Helena, Montana

Please note: This document is a Minutes Log and provides annotation of the time elapsed between the beginning of 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 on the audio or video recording of this meeting.

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MEMBERS PRESENT:

Sen. Daniel Salomon, Chair (R)
Rep. Mary Caferro, Vice Chair (D)
Rep. David Bedey (R)
Sen. Mike Cuffe (R)
Sen. Janet Ellis (D)
Rep. Frank Garner (R)
Rep. Jim Hamilton (D)
Rep. Kenneth Holmlund (R)
Sen. Tom Jacobson (D)
Rep. Llew Jones (R)
Sen. Bob Keenan (R)
Rep. Emma Kerr-Carpenter (D)
Sen. Ryan Lynch (D)
Rep. Bill Mercer (R)

MEMBERS EXCUSED:

Rep. Jim Keane (D)
Rep. Sharon Stewart Peregoy (D)
Rep. Matt Regier (R)
Rep. Jonathan Windy Boy (D)

MEMBERS ABSENT:

STAFF PRESENT:

Amy Carlson, Legislative Fiscal Analyst
Julie Johnson, Attorney
Kathy Sangray, Secretary

AGENDA ([Attachment 1](#))

VISITORS' LIST ([Attachment 2](#))

COMMITTEE ACTION

CALL TO ORDER/ROLL CALL

08:37:37 Sen. Daniel Salomon called the meeting to order at 8:37 AM. The committee secretary took roll.

FYE 2022 FINANCIAL REPORT

08:39:31 Susie Lindsay, Lead Fiscal Analyst, Legislative Fiscal Division (LFD). (Exhibit 1)
(Exhibit 2)
08:49:15 Sam Schaeffer, Lead Fiscal Analyst, LFD

Committee Discussion and Questions

09:03:58 Sen. Cuffe asked Mr. Schaeffer about the gaming tax.
09:05:57 Sen. Ellis asked Mr. Schaeffer and Amy Carlson, Director, LFD, how the Alternative Revenue Estimate impacts HJ2.
09:06:54 Rep. Regier joined the meeting.
09:09:08 Rep. Hamilton asked Mr. Schaeffer about the revenue and IHS forecasts.
09:13:08 Vice Chair Caferro asked Mr. Schaeffer for clarification on inflation and stimulus, and the impact of federal funding on revenue.

2023/2025 BIENNIUM BUDGET UPDATE

09:16:13 Ryan Evans, Assistant Director, Governor's Office of Budget and Program Planning (OBPP)

Committee Discussion and Questions

09:19:10 Sen. Jacobson asked Mr. Schaeffer about vacancies, the impact of wage inflation on recruiting and retention, and contract and provider rates.
09:25:47 Rep. Mercer referenced a memo from the OBPP Director to agencies regarding compliance with the statute.
09:29:34 Vice Chair Caferro asked Mr. Schaeffer about allocation of funding for Medicaid providers.

UPDATES FROM IBC SECTIONS

Section A

09:32:36 Sen. Lang

Committee Discussion and Questions

09:36:11 Rep. Hamilton asked Sen. Lang about the emergency funds.

Section B

09:38:08 Rep. Regier

Committee Discussion and Questions

09:44:44 Sen. Cuffe asked Rep. Regier about provider rates and nursing home facilities.

09:47:56 Vice Chair Caferro asked Rep. Regier about the provider rate study and wages.

09:49:38 Sen. Keenan explained the focus of the provider rate study.

Section C

09:50:11 Rep. Holmlund

Committee Discussion and Questions

10:00:50 Rep. Regier asked Rep. Holmlund about the availability of contractors and if DOT projects are postponed.

Section D

10:02:30 Rep. Mercer

Committee Discussion and Questions

10:15:04 Sen. Cuffe asked Rep. Mercer for more information and the impact of CARS. (Exhibit 3)

10:20:11 Rep. Mercer asked Cathy Duncan, Fiscal Analyst, LFD, to respond to questions about Section D projects.

10:22:22 Sen. Cuffe commented on Merlin.

10:24:18 Sen. Jacobson asked Rep. Mercer about Merlin cost-sharing.

10:25:57 Rep. Bedey asked Rep. Mercer about Merlin cost-sharing and drivers license renewal wait times.

10:28:29 Sen. Lynch commented on the Merlin project.

10:29:51 Rep. Jones commented on the Merlin project.

10:32:50 Sen. Keenan commented on how the DOJ has handled Merlin.

10:33:45 Sen. Jacobson commented on the DOJ's requests for cost-sharing.

10:34:54 Rep. Mercer commented on Merlin and the DOJ.

10:37:07 Vice Chair Caferro asked Rep. Mercer about costs, deadlines and expected outcomes for CARS.

10:37:48 Rep. Mercer offered to provide more information on CARS, and continued his report on Merlin and other projects under Section D.

10:44:50 Rep. Garner asked Rep. Mercer about the ten-day detention trend.

Section E

10:47:44 Rep. Bedey (Exhibit 4) (Exhibit 5) (Exhibit 6) (Exhibit 7)

MARA

11:15:46 Rep. Jones

Suicide Prevention Work Group Update

11:24:02 Rep. Kerr-Carpenter

Committee Discussion and Questions

11:25:03 Rep. Garner commented on the report.

Subcommittee on Session Preparation

11:25:27 Chair Salomon

GLOBAL RECOMMENDATIONS TO SUBCOMMITTEE

11:28:25 Quinn Holzer, Assistant Director, LFD (Exhibit 8)

Committee Discussion and Questions

11:47:17 Sen. Keenan asked Mr. Holzer about the flexibility of appropriations.

11:50:43 Sen. Ellis asked Mr. Holzer about the Personal Services questionnaire.

11:52:06 Rep. Kerr-Carpenter asked Mr. Holzer about tracking inflation impacts and FTE vacancies.

PERSONAL SERVICES REPORT

11:56:34 Molly DelCurto, Fiscal Analyst, LFD (Exhibit 9)

Committee Discussion and Questions

11:59:46 Rep. Regier asked Ms. DelCurto about contracted positions.

DYNAMIC FISCAL NOTES - FISCAL ANALYSIS OPTIONS

12:02:13 Ms. Carlson, Director, LFD

Committee Discussion and Questions

12:08:05 Chair Bedey commented on dynamic fiscal notes.

12:09:10 Rep. Jones commented on dynamic fiscal notes.

12:12:00 Rep. Bedey commented on dynamic fiscal notes.

12:14:59 Sen. Ellis asked Ms. Carlson about 2025 Biennium Budget Recommendations.

12:17:50 Chair Salomon commented on recommendations.

12:18:20 Sen. Ellis asked Ms. Carlson about recommendations.

12:19:59 Chair Salomon explained that the recommendations are just proposals.

12:20:49 Rep. Bedey asked Ms. Carlson about LFD's work capacity and expanding fiscal analysis.

12:24:11 Rep. Jones commented and made recommendations for completing dynamic fiscal notes.

- 12:26:11 Sen. Ellis commented on the process of requesting fiscal notes.
- 12:28:02 Ms. Carlson offered to draft language on how to request dynamic fiscal notes.
- 12:29:27 Rep. Mercer commented on request guidelines for dynamic fiscal notes.
- 12:30:15 Chair Salomon agreed and recommended further discussion on this topic.
- 12:30:40 Rep. Bedey commented on the process.
- 12:31:59 Chair Salomon asked committee to offer recommendations.

RECESS (reconvened at 16:19:00)

SITSD SUMMARY OF STATEWIDE IT POLICY ISSUES

Project Portfolio Summary

- 13:19:23 Kevin Gilbertson, CIO, reported on Project Portfolio Summary. (Exhibit 10)

Committee Discussion and Questions

- 13:28:17 Vice Chair Caferro asked Mr. Gilbertson about MPATH and MMIS.
- 13:35:22 Vice Chair Caferro redirected questions to Shellie McCann, Medicaid Systems Operations Manager, DPHHS.
- 13:36:35 Rep. Mercer commented on MMIS.
- 13:37:36 Vice Chair Caferro asked Mr. Gilbertson about IT project budgets and deadlines.

Agency Delegated Authority IT Procurement

- 13:39:30 Mr. Gilbertson (Exhibit 11)

Committee Discussion and Questions

- 13:43:32 Sen. Lynch asked Mr. Gilbertson about total IT FTEs in state government.
- 13:48:29 Sen. Lynch thanked Mr. Gilbertson for the information and reiterated his concerns.

Update on Strategic Plan, IT Policies, Efficiencies, Initiatives, and Expenditures

- 13:49:48 Mr. Gilbertson reported on the strategic plan, and IT policies, efficiencies, initiatives and expenditures. (Exhibit 12) (Exhibit 13)

Committee Discussion and Questions

- 14:02:39 Rep. Mercer asked Mr. Gilbertson if there is a maximum expenditure for an item in HB10.
- 14:03:24 Katie Guenther, Lead Fiscal Analyst, LFD, handed out additional information on MMIS. (Exhibit 14) (Exhibit 15)

STATE CHIEF DATA OFFICER UPDATE

- 14:04:55 Adam Carpenter, CDO, State of Montana

Committee Discussion and Questions

- 14:24:40 Rep. Bedey asked Mr. Carpenter about the Snowflake project, the agencies involved, data sets, and data sharing.
- 14:27:52 Rep. Garner asked Mr. Carpenter about anticipating IT improvements.

14:33:17 Rep. Bedey asked Mr. Carpenter if DOJ and Secretary of State are on Snowflake, and to reach out to OPI regarding Snowflake.

LEGISLATIVE DATA ANALYSIS VISION

14:36:10 Nick VanBrown, Lead Data Scientist, LFD (Exhibit 16)

Committee Discussion and Questions

14:48:59 Sen. Keenan asked Mr. Carpenter if Legislative Audit Division is involved.

VOLATILITY REPORT

14:52:02 Ms. Lindsay (Exhibit 17) (Exhibit 18)

14:59:58 Mr. Schaeffer

15:07:14 Josh Poulette, Senior Fiscal Analyst, LFD

Committee Discussion and Questions

15:16:03 Rep. Jones commented on reserves and volatility.

15:18:50 Rep. Caferro left the meeting.

Public Comment

15:21:01 David Walker (Exhibit 19)

RECESS (reconvened at 15:29:00)

COMMITTEE BUSINESS

15:29:10 Ms. Carlson announced retirement party for Kris Wilkinson, Fiscal Analyst, LFD.

15:32:36 Sen. Jacobson left the meeting.

15:33:02 Sen. Keenan left the meeting.

RECESS (reconvened at 15:41:00)

COMMITTEE BUSINESS

MOTION

15:41:23 Rep. Bedey moved to adopt PD 23.

Discussion on the Motion

15:42:37 Rep. Hamilton commented on the LFC bill process.

15:43:27 Rep. Bedey explained committee bill processes from last interim.

15:44:05 Chair Salomon explained the LFC bill process.

15:44:21 Rep. Hamilton asked Rep. Bedey which committee proposed PD 23.

15:46:29 Rep. Mercer commented on bill process.

15:47:48 Rep. Bedey commented on bill process.

Vote

15:48:44 Motion carried unanimously by roll call vote. Sen. Jacobson, Sen. Keenan, Rep. Caferro, Rep. Holmlund, Rep. Jones, Rep. Windy Boy voted by proxy.

MOTION

15:50:00 Rep. Bedey moved to adopt PD 34.

Vote

15:51:38 Motion carried unanimously by roll call vote. Sen. Jacobson, Sen. Keenan, Rep. Caferro, Rep. Holmlund, Rep. Jones, and Rep. Windy Boy voted by proxy.

MOTION

15:52:38 Rep. Bedey moved to adopt PD 39.

Discussion on the Motion

15:53:08 Sen. Lynch commented on the bill.

15:53:41 Rep. Bedey commented on the bill.

15:55:52 Rep. Hamilton commented on the bill.

15:56:47 Rep. Mercer commented on the bill.

Vote

15:57:30 Motion failed 3-9 by roll call vote with Rep. Holmlund, Rep. Jones, and Chair Salomon voting yes. Sen. Jacobson, Sen. Keenan, Rep. Caferro, Rep. Holmlund, Rep. Jones, and Rep. Windy Boy voted by proxy.

15:58:38 Rep. Bedey commented on PD 39.

MOTION

15:59:02 Rep. Bedey moved to adopt PD 43.

Vote

16:00:03 Motion carried 9-3 by roll call vote with Sen. Jacobson, Sen. Cuff, Sen. Keenan, and Rep. Mercer voting no. Sen. Jacobson, Sen. Keenan, Rep. Caferro, Rep. Holmlund, Rep. Jones and Rep. Windy Boy voted by proxy.

Committee Discussion

16:00:52 Rep. Bedey will continue work on approved bills.

16:01:17 Sen. Cuffe commented on rationale for his vote.

16:02:30 Rep. Bedey commented on bill submission process related to IBCs and LFC.

16:03:39 Chair Salomon commented on IBCs and bill sponsors for approved bills.

16:04:07 Rep. Bedey commented on bill sponsors.

Adoption of 2025 Biennium Budget Proposal

16:04:55 Ms. Carlson reviewed staffing options for LFD and budget requests. (Exhibit 20)

Committee Discussion and Questions

16:12:08 Rep. Hamilton asked Ms. Carlson about FTEs.

16:12:35 Rep. Cuffe asked Ms. Carlson about the voting process on the two proposals.

16:12:56 Chair Salomon explained FTEs and the work of the IBCs.

16:13:33 Rep. Cuffe commented on proposal for additional FTEs.

16:14:131 Rep. Mercer commented on proposal for additional FTEs.

MOTION

16:16:27 Chair Salomon moved to approve additional FTEs for the LFD.

Vote

16:16:40 Motioned carried unanimously by voice vote. Rep. Caferro, Sen. Jacobson, Rep. Windy Boy, Rep. Holmlund and Rep. Jones voted by proxy. Sen. Keenan abstained.

Committee Discussion

16:17:41 Chair Salomon discussed budget request for base pay adjustment.

16:18:01 Sen. Ellis asked Ms. Carlson to explain the placeholder and if there will be another vote on this topic in December.

MOTION

16:20:04 Sen. Cuffe moved to approve the proposal for the Base Pay Adjustment.

Vote

16:20:25 Motioned carried unanimously by voice vote. Rep. Caferro, Sen. Jacobson, Rep. Windy Boy, Rep. Holmlund and Rep. Jones voted by proxy. Sen. Keenan abstained.

COMMITTEE BUSINESS

16:21:03 Ms. Carlson introduced new LFD staff, presented staff longevity pins, and discussed December meetings.

16:29:52 Rep. Mercer asked Ms. Carlson for clarification on training.

16:31:04 Rep. Bedey asked Ms. Carlson for clarification on the IBC schedule and when the Governor's budget will be reviewed.

16:33:50 Chair Salomon commented on IBC and training schedule.

16:34:06 Sen. Cuffe asked for clarification on training schedule.

16:35:03 Chair Salomon discussed training schedule.

16:35:31 Sen. Ellis identified legislative training dates.

16:36:41 Rep. Mercer asked Ms. Carlson for clarification on meeting notices and quarterly report compliance.

ADJOURNMENT

16:38:00 Chair Salomon adjourned the meeting at 16:38.