



Interim Budget Committee – Section A 67th Montana Legislature

Room 455 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

SENATE MEMBERS

FORREST MANDEVILLE – VICE CHAIR
DAN BARTEL
PAT FLOWERS

HOUSE MEMBERS

TERRY MOORE – CHAIR
TERRY FALK
JIM HAMILTON
NAARAH HASTINGS

COMMITTEE STAFF

MOLLY DELCURTO, Fiscal Analyst
KATIE GUENTHER, Fiscal Analyst
JOE BAAN, Fiscal Analyst

March 13, 2024
Room 335
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:

Rep. Terry Moore, Chair (R)
Sen. Forrest Mandeville, Vice Chair (R)
Sen. Pat Flowers (D)
Rep. Terry Falk (R)
Rep. Jim Hamilton (D)

MEMBERS EXCUSED:

Rep. Naarah Hastings (R)
Sen. Dan Bartel (R)

MEMBERS ABSENT:

STAFF PRESENT:

Molly DelCurto, Fiscal Analyst
Katie Guenther, Fiscal Analyst
Joe Baan, Fiscal Analyst

AGENDA ([Attachment 1](#))

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

COMMITTEE ACTION

CALL TO ORDER/ROLL CALL

09:03:32 Rep. Terry Moore called the meeting to order. Staff took roll.

LEGISLATIVE Audit Introduction

09:04:28 Julia Connelley, Associate Management and Program Analyst with the Legislative Audit Division (LAD) introduced LAD and described the cooperation process between legislators and the Audit Division

09:09:53 Rep Jim Hamilton asked how audit scheduling worked and how agencies are broken down to receive the audit

09:11:12 Rep Terry Moore led discussion on reports provided to audit committees that could impact budget committees and proposed communication between committee members to include agency members for better preparation before the next legislative session

Carryforward Education

09:13:46 Molly DelCurto, Fiscal Analyst with the Legislative Fiscal Division (LFD), introduced new fiscal analyst Ethan Bergen to committee. Reviewed budget memo, FTE report, and personal services overview.

09:15:11 Ethan Bergen, Fiscal Analyst (LFD), presented committee with document of general overview of functions and structure of each agency within the committee

09:15:49 Molly DelCurto, Fiscal Analyst (LFD), presented carryforward memo and clarified uses of carryforward authority

09:20:02 Sen Pat Flowers asked about the maximum amount that the carryforward authority will provide

09:20:35 Rep Terry Moore asked how an agency differentiates whether funds come from carryforward or general fund

09:23:54 Rep Terry Falk asked if reports are clear as to what money has been spent in HB 2 versus carryforward; and if there are any limitations on funds.

09:25:35 Sen Forrest Mandeville asked if one source is carried over more than other sources

09:27:04 Rep Jim Hamilton referred back to FTE report and requested clarification on sources of authority within it.

09:27:43 Rep Pat Flowers requested clarification on movement of funds between three categories after it had been carried over

09:28:43 Sonia Powell, Lead Budget Analyst from the Office of Budget and Program Planning, provided more comments on carryforward authority and where/how funds are used

09:30:03 Sen Pat Flowers asked why 30% is the current figure for carryforward

09:31:57 Rep Terry Falk asked how agencies adequately prepare for retirement payouts

- 09:33:36 Angie Nelson, Senior Budget Analyst with the Office of Budget and Program Planning answered questions related to retirement payouts
- 09:38:36 Katie Guenther, Lead Fiscal Analyst (LFD) clarified numbers and details about carryforward expenditures
- 09:39:57 Molly DelCurto, Fiscal Analyst (LFD), presented and explained budget amendment authority

Approval of Meeting Minutes

- 09:45:02 Rep Terry Moore introduces meeting minutes for approval.
- 09:45:04 Sen Forrest Mandeville moves to approve, Sen Pat Flowers seconded. Motion carries unanimously.

Secretary of State's Office:

- 09:46:25 Katie Guenther, Lead Fiscal Analyst (LFD), presented the quarterly financial report overview for the Secretary of State's Office (SOS)
- 09:56:09 Rep Terry Moore asked to what extent does the SOS office report to the executive branch or the government or if it is an entity unto itself
- 09:57:19 Angela Nunn, Chief Deputy for the Office of the Secretary of State, presented the mission and goals for the SOS
- 10:10:29 Rep Jim Hamilton asked the delay in utilizing election security funds, and counties ability to utilize funds. Requested clarification on drop in FTE and the efficiencies that led to the FTE reduction
- 10:15:32 Sen Forrest Mandeville asked if it is possible for agencies to request more FTE funding than necessary
- 10:17:49 Rep Terry Falk asked if the agency is utilizing AI technology and to what extent.
- 10:20:22 Rep Terry Moore asked what the greatest challenges are that the SOS office is facing.
- 10:22:41 Rep Terry Falk requested a timeline on the evaluation of long-term vacancies

Commissioner of Political Practices:

- 10:25:46 Ethan Bergen, Fiscal Analyst (LFD), presented the quarterly financial report overview
- 10:31:39 Chris Gallus, Commissioner of Political Practices, presented overview of FTE, finance reports and political party committees
- 10:41:48 Rep Terry Moore requested further documentation on agency goals and objectives. Handout provided.
- 10:42:47 Chris Gallus, Commissioner of Political Practices, answered questions on funds allocations, fines against committees and out of state procedures

Break:

10:56:34 Reconvened at 11:08:01

DEPARTMENT OF REVENUE:

- 11:08:15 Joe Baan, Fiscal Analyst (LFD), presented the quarterly financial report for Department of Revenue
- 11:18:43 Rep Jim Hamilton requested clarification on data on property tax rebate
- 11:20:40 Rep Terry Falk requested clarification on data within report, slight variations from page to page.
- 11:25:07 Brendan Beatty, Director of the Department of Revenue (DOR), presented the annual plan update
- 11:39:09 Brendan Beatty, Director (DOR), answered questions on rebate numbers, business licensing, FTE, and AI incorporation
- 12:06:08 Joe Baan, Fiscal Analyst (LFD), presented on local government entitlement shares. Answered questions on Class 8 reimbursements, added expenses, and adjustments
- 12:15:17 Sam Schafer, Lead Revenue Analyst (LFD), answered questions on Office of Public Defender (OPD) and reimbursement rates vs payments

Lunch

12:23:40 Reconvened at 13:04:37

DEPARTMENT OF LABOR AND INDUSTRY

- 13:04:37 Ethan Bergen, Fiscal Analyst (LFD), presented quarterly financial report for the Department of Labor and Industry.
- 13:20:01 Sarah Swanson, Commissioner of the Department of Labor and Industry (DLI) answered questions on transition and pathways programs, contractor and subcontractor contracts, business licensing responsibilities shift, and possible AI integration
- 13:54:20 Ethan Bergen, Fiscal Analyst (LFD), presented on the Employment Security Account
- 14:12:01 Amber Thorvilson, Chief Financial Officer for Commissioner of Securities and Insurance, presented on the Montana Reinsurance Program
- 14:19:52 Molly DelCurto, Fiscal Analyst (LFD), presented memo of transfer
- 14:25:56 Sonia Powell, Lead Budget Analyst from the Office of Budget and Program Planning, presented on budget development

DEPARTMENT OF ADMINISTRATION

- 14:30:47 Molly DelCurto, Fiscal Analyst (LFD) provided brief overview of Department of Administration (DOA)

- 14:31:24 Misty Ann Giles, Director of Department of Administration, presented on employee group benefits plan. Answered questions on litigation from year prior.
- 15:20:15** Kelly Grebinsky, Principal and Senior Consulting Actuary of Actuaries Northwest, answered questions on particulars of plans and actuarial proficiencies

BREAK:

15:41:40 Reconvened at 15:51:39

DEPARTMENT OF COMMERCE

15:51:38 Cheryl Cohen, Division Administrator for the Montana Department of Commerce Housing Division, presented voucher utilization for rental assistance programs

SITSD Report

16:20:27 Kevin Gilbertson, State Chief Information Officer, provided update on State IT. Answered questions on implementation timeline and AI implementation

Additional Presentations

- 16:38:14 Kelly DaSilva, Human Resources Manager for Legislative Services Division (LSD), provided update on FTE Vacancies. Answered questions on long term vacancies
- 16:42:04 Dale Gow, Chief Information Officer (LSD), reviewed major projects underway
- 16:48:48 Molly DelCurto, Fiscal Analyst (LFD), provided HB2 personal services overview
- 16:51:30 Ethan Bergen, Fiscal Analyst (LFD), presented Section A Budget Overview

PUBLIC COMMENT:

16:59:54 Stacey Anderson, Policy and Government Affairs for Montana's Primary Care Association provided comments on Cheryl Cohen's Voucher Utilization program.

ADJOURNMENT:

17:06:42 Rep. Terry Moore adjourned the meeting.