



LEGISLATIVE FINANCE COMMITTEE

64th Montana Legislature

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

SENATE MEMBERS

JON SESSO--Chair
MARY CAFERRO
LLEW JONES
BOB KEENAN
FREDERICK (ERIC) MOORE
CYNTHIA WOLKEN

HOUSE MEMBERS

NANCY BALLANCE--Vice Chair
KIMBERLY DUDIK
PAT NOONAN
RYAN OSMUNDSON
MITCH TROPILA
BRAD TSCHIDA

JULIE JOHNSON, Staff Attorney
DIANE MCDUFFIE, Secretary
AMY CARLSON, Director

MINUTES LOG

June 18, 2015

Room 102, Capitol Building
Helena, Montana

Please note: This document is a Minutes Log and provides a notation 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 record 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 meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select Committees, then Interim. Once on the page for Interim Committees, scroll down to the appropriate committee. The written Minutes Log, along with the audio and video recordings, is listed by meeting date on the interim committee's web page. Each of the Exhibits is linked and can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed.

Please contact the Legislative Services Division at 406-444-3064 for more information.

COMMITTEE MEMBERS PRESENT

SEN. LLEW JONES, Chair
SEN. MARY CAFERRO
SEN. BOB KEENAN
SEN. FREDERICK (ERIC) MOORE
SEN. JON SESSO
SEN. CYNTHIA WOLKEN

REP. NANCY BALLANCE
REP. KIMBERLY DUDIK
REP. RYAN OSMUNDSON
REP. PAT NOONAN
REP. MITCH TROPILA
REP. BRAD TSCHIDA

STAFF PRESENT

AMY CARLSON, Director
JULIE JOHNSON, Staff Attorney
DIANE MCDUFFIE, Secretary

VISITORS' LIST ([Attachment 1](#))

AGENDA ([Attachment 2](#))

COMMITTEE ACTIONS

The Legislative Finance Committee took the following actions:

- approved minutes for December 2, 2014
- approved nomination of Sen. Sesso for Chairman
- approved nomination of Rep. Ballance for Vice-Chair
- approved nomination of Rep. Dudik for Secretary
- adopted LFC Rules
- approved 2017 Biennium Budget Operating Plan
- adopted future meeting dates
- approved operating budget changes and program transfers

CALL TO ORDER AND ROLL CALL

00:01:05 **Sen. Jones** acting Chairman called the 231st meeting of the Legislative Finance Committee to order at 8:30 a.m. on June 18, 2015. The meeting was held in Hearing Room 102 of the State Capitol, Helena Montana. The committee secretary called roll. ([Attachment 3](#))

APPROVAL OF MINUTES OF THE PREVIOUS MEETING

00:01:31 **MOTION:** Rep. Dudik moved to approve the minutes of the December 2, 2014 meeting. **VOTE:** Motion passed.

COMMITTEE BUSINESS

Election of Officers

00:02:06 **Sen. Jones** opened nominations for election of chairman. Sen. Caferro nominated Sen. Sesso. **VOTE:** Motion passed.

00:02:51 **Sen. Jones** opened nominations for vice chair. Rep. Tschida nominated Rep. Ballance. **VOTE:** Motion passed.

00:04:40 **Sen. Jones** opened nominations for secretary. Sen. Wolken nominated Rep. Dudik. **VOTE::** Motion passed.

00:06:04 **Sen. Sesso**, as newly elected chairman presided over the remainder of the meeting.

00:06:56 Amy Carlson, Director, discussed the LFC rules. Sen. Sesso recommended written proxy voting be allowed. **MOTION:** Rep. Tropila moved to adopt the rules as presented. ([Exhibit 1](#))

00:10:10 Julie Johnson, Attorney, Legislative Service Division discussed the powers and duties of the committee. ([Exhibit 2](#)) Primary responsibility is to listen to the

required reports, to monitor Information Technology, and before each regular and special session involving budgetary matters, prepare recommendations to the house appropriations and senate finance and claims committees.

2017 Biennium LFD Operating Plan

00:12:58 Amy Carlson, Director, LFD presented the 2017 Biennium Budget Operating Plan for the Legislative Fiscal Division and Legislative Finance Committee. ([Exhibit 3](#))

00:13:32 **MOTION:** Sen. Jones moved to approve. **VOTE:** Motion carried

Proposed LFC Meeting Dates for the Interim

00:15:45 Amy Carlson, Director, LFD presented proposed dates for LFC meetings during the interim. ([Exhibit 4](#)) The committee is supposed to meet once each quarter. All meetings with the exception of the June and December meetings are initially two days.

COMMITTEE DISCUSSION

00:14:04 Sen. Sesso
00:16:02 Sen. Caferro
00:16:13 Rep. Ballance
00:16:25 Rep. Tropila

The following dates were approved by the committee:

- September 24 & 25, 2015;
- December 3 & 4, 2015; and
- March 10 & 11, 2016.

STAFF ANNOUNCEMENTS

00:19:35 Amy Carlson announced staff promotions for Nick Brown and Susie Lindsay; new staff members hired; Karin Ball, and Quinn Holzer; and the retirement of Lois Steinbeck, Senior Fiscal Analyst.

00:24:10 Sen. Sesso thanked staff for all the hard work done during session and for the hard work staff will do during the interim to serve the committee.

BRIEF RECESS

00: 48:47 Sen. Sesso announced that the Legislative Finance Committee (LFC) has offered all committee members the opportunity to attend the NCSL in Seattle or the CSG in Colorado.

2017 BIENNIUM LEGISLATIVE FISCAL REPORT SUMMARY

00:50:15 Amy Carlson, Director summarized the fiscal actions of the 2015 Legislature. Volume 1 of the Legislative Fiscal Report for the 2017 biennium can be found at: <http://leg.mt.gov/fbp-2017.asp>

MEDICAID MONITORING REPORTS

01:00:19 Scott Conrady, Fiscal Analyst, LFD presented the Medicaid Monitoring report ([Exhibit 5](#)) This report is a continuation of the work plan item into the 2017 interim. The report discusses: a \$4.0 million projected state funding surplus for Medicaid services including changes to appropriation authority; and issues to be aware of during the interim.

COMMITTEE DISCUSSION

00:58:20 Rep. Ballance
01:00:53 Sen. Caferro
01:03:33 Sen. Sesso
01:04:03 Sen. Caferro
01:05:26 Sen. Sesso
01:08:46 Rep. Dudik
01:10:28 Sen. Keenan
01:14:37 Rep. Ballance
01:16:21 Sen. Caferro
01:25:36 Rep. Noonan

REQUIRED REPORTS

01:28:25 Greg DeWitt, Fiscal Analyst, LFD presented the operating plan changes and program transfers. ([Exhibit 6](#)) The purpose of this report is to provide an overview of required reports. In addition to the ongoing operating plan changes and program transfers, a number of reports are due to either the Legislative Finance Committee or the Legislative Fiscal Division. Staff addressed questions related to program transfers #51020 and #53010. The Emergency Grant Report was also included in the committee notebooks. ([Exhibit 6a](#))

01:38:35 Kris Wilkinson, Fiscal Analyst, LFD presented the Budget Amendments report. ([Exhibit 7](#)) As of June 17, the LFD received notification of 70 budget amendments certified by the Governor since the December 2015 Legislative Finance Committee meeting. Staff has reviewed the amendments and raise no concerns.

COMMITTEE DISCUSSION

01:40:07 Sen. Sesso
01:41:46 Rep. Ballance
01:46:27 Sen. Moore
01:46:42 Rep. Dudik
01:46:57 Sen. Keenan
01:47:37 Sen. Sesso

STATE CHIEF INFORMATION OFFICER REPORT

01:50:20 Kris Wilkinson, Fiscal Analyst, LFD explained the following items under information technology:

- Information Technology Project Portfolio report ([Exhibit 8](#))
- Supplemental reports ([Exhibit 8a](#))
- Post implementation reports ([Exhibit 8b](#))
- Summary of IT project costs and development tracking. ([Exhibit 8c](#))

- 01:54:51 Ron Baldwin, CIO, Department of Administration discussed the CIO policy report. [\(Exhibit 9\)](#) Four exception requests were granted; Department of Corrections, Department of Health and Human Services, Department of Commerce and Department of Justice.
- 02:00:19 Ron Baldwin, CIO, Department of Administration presented the SITSD Organizational Structure. [\(Exhibit 10\)](#) This report covers the impact of session, SITSD re-organization, Financial Management Services Bureau, Information Technology Services Bureau, and net results of the re-organization.

COMMITTEE DISCUSSION

- 02:02:52 Sen. Sesso
 02:05:29 Rep. Dudik
 02:09:21 Sen. Sesso
 02:10:07 Rep. Dudik
 02:12:12 Sen. Keenan
- 02:14:20 Ron Baldwin, CIO, Department of Administration told committee members that the audit of MMIS will be available July 1 as requested in HB 10.

COMMITTEE DISCUSSION

- 02:15:56 Sen. Sesso
 02:18:17 Sen. Caferro
 02:19:05 Rep. Tropila
 02:20:43 Sen. Sesso
 02:23:51 Sen. Moore
 02:26:02 Sen. Jones
 02:29:27 Rep. Noonan
 02:30:11 Sen. Sesso
 02:33:30 Rep. Dudik
 02:33:56 Sen. Wolkin
 02:34:11 Rep. Ballance
 02:36:54 Sen. Caferro
- 02:38:03 Chairman Sen. Sesso advised Mr. Baldwin to provide the committee with the audit report and specific recommendations to the committee as soon as the audit is complete.

MPERA

- 02:38:12 Angela Riley, DOA, provided an update on the MPERA Project. The project has been re-planned and the time extended. The cost has increased by \$1.3 million which has been approved by the Board.

COMMITTEE DISCUSSION

- 02:39:23 Sen. Sesso
 02:43:54 Rep. Tropila
 02:57:06 Rep. Ballance

Remediation Information Management System (RIMS)

02:57:07 Jenny Chambers, Division Administrator, Remediation Division, Department of Environmental Quality gave a brief update on RIMS. Currently the project is on schedule with the HB 10 budget that was proposed. The increase in budget costs now includes personal services.

PUBLIC COMMENT

03:01:38 Rick Dadston, Corporate Vice President Xerox
03:03:55 Glenn Stinar, Administrator, Montana Law Enforcement Academy
03:05:52 Wendy Frederickson, former DPHHS employee ([Exhibit 11](#))
03:18:16 Bob Story, Montana Tax Payers Association

RECESSED

03:21:42 The committee will reconvene for a planning meeting at Montana Wild, Department of Fish, Wildlife, and Parks facility at Spring Meadow Lake.