



LEGISLATIVE FINANCE COMMITTEE

65th Montana Legislature

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

SENATE MEMBERS

LLEW JONES
EDIE MCCLAFFERTY
FREDERICK (ERIC) MOORE
RYAN OSMUNDSON
JON SESSO
CYNTHIA WOLKEN

HOUSE MEMBERS

NANCY BALLANCE
KIMBERLY DUDIK
KENNETH HOLMLUND
MIKE HOPKINS
KELLY MCCARTHY
MARILYN RYAN

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

MINUTES LOG

May 22, 2017
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
SEN. FREDERICK (ERIC) MOORE
SEN. CYNTHIA WOLKEN
REP. NANCY BALLANCE
REP. KENNETH HOLMLUND
REP. MIKE HOPKINS
REP. KELLY MCCARTHY
REP. MARILYN RYAN

COMMITTEE MEMBERS EXCUSED

SEN. EDIE MCCLAFFERTY
SEN. RYAN OSMUNDSON
SEN. JON SESSO
REP. KIMBERLY DUDIK

STAFF PRESENT

AMY CARLSON, Executive Director
JULIE JOHNSON, Legal Staff
DIANE MCDUFFIE, Committee Secretary

VISITORS' LIST

AGENDA (Attachment 1)

COMMITTEE ACTION

The Legislative Finance Committee took the following actions:

- approve minutes for December 6, 2016
- approved nomination of Rep. Ballance for Chair
- approved nomination of Sen. Wolken for Vice-Chair
- approved nomination of Rep. Ryan for Secretary
- approved proxy voting
- approved Sen. Jones, Sen. Sesso, Rep. Ballance and Rep. McCarthy for the Management Advisory Work Group
- approved the LFC Rules
- approved September 25-26 and December 11-12 for future meeting dates

CALL TO ORDER and ROLL CALL

00:00:04 Sen. Llew Jones, Acting Chair, called the Legislative Finance Committee to order at 9:00 a.m. on Monday, May 22, 2017 in Hearing Room 102 of the State Capitol. The committee secretary called roll. (Attachment 2) Senators McClafferty, Osmundson, Sesso and Representative Dudik were excused.

APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

00:01:29 **MOTION:** Senator Wolken moved to approve the minutes of December 6, 2016 meeting. **VOTE:** Motion passed.

COMMITTEE BUSINESS

ELECTION OF OFFICERS

00:01:50 Sen. Jones opened nominations for election of Chairperson.

00:02:16 **MOTION:** Rep. Holmlund nominated Rep. Nancy Ballance for chair. **Vote:** Motion approved. Rep. Dudik, Sen. McClafferty, Sen. Sesso and Sen. Osmundson voted yes by proxy.

00:03:11 Rep. Ballance, as newly elected chair presided over the remainder of the meeting. Chair Ballance opened nominations for vice-chair.

00:03:40 **MOTION:** Rep. McCarthy nominated Sen. Wolken for vice-chair. **VOTE:** Motion passed.

00:04:45 Chair Ballance opened nominations for Secretary.

00:05:20 **MOTION:** Rep. McCarthy nominated Rep. Ryan for secretary. **VOTE:** Motion passed.

- 00:06:00 Chair Ballance discussed the Legislative Finance Committee Rules and noted that proxy voting is by motion and stands for the entire committee. (Exhibit 1)
- 00:06:43 **MOTION:** REP. Holmlund moved to allow proxy voting. **VOTE:** Motion passed.
- 00:07:09 Chair Ballance explained the role of the management advisory workgroup. She appointed Sen. Jones, Sen. Sesso, Rep. McCarthy and herself.
- 00:08:40 Amy Carlson, LFA explained that contact members will be appointed for staff to communicate with for feedback and questions that may arise.
- 00:10:05 **Motion:** Sen. Jones moved to adopt the rules. **VOTE:** Motion passed.
- 00:10:25 Julie Johnson, LSD presented the Powers and Duties of Committee 5-12-205. (Exhibit 2) This committee is an administrative committee and not an interim committee. The difference is an interim committee is prohibited from meeting during session where as an administrative committee can meet at anytime. It is noted that under subsection (4) this committee shall monitor the information technology policies of the department of administration and subsection (7) this committee shall, before each regular and special legislative session involving budgetary matters, prepare recommendations to the house appropriations committee and the senate finance and claims committee on the application of certain budget issues.
- 00:12:26 Amy Carlson, LFA presented the proposed dates for future LFC meeting dates. (Exhibit 3) The committee is supposed to meet once each quarter. All meetings with the exception of this meeting and the last meeting are initially two days.

COMMITTEE DISCUSSION

- 00:13:30 Rep. Holmlund
00:13:58 Rep. McCarthy

The following dates were approved by the committee:

- September 25-26
- December 11-12

2017 LEGISLATIVE SESSION WEB STATISTICS

- 00:16:59 Susie Lindsay, Communications Supervisor, LFD presented 2017 Legislative Session Web Statistics report. (Exhibit 4) This report provides information on how the legislative branch website was used between January 2 - April 29, 2017.
- 00:20:56 Rep. Holmlund requested more information on the amount of HB 2 downloads that occurred after session during the period that the Governor had possession of the bill.

LFD OPERATING PLAN

00:21:48 Amy Carson, LFA presented the LFC/LFD operating plan. (Exhibit 5) Ms. Carlson also noted that training funds are available for staff and LFC members. (Exhibit 5a)

COMMITTEE DISCUSSION

00:26:10 Rep. Holmlund
00:26:50 Sen. Jones

2019 BIENNIUM FISCAL REPORT UPDATE AND STATUS SHEET

00:29:34 Amy Carlson, LFA presented the current Status Sheet as of May 9, 2017, which shows the changes from the previous status sheet and a list of bills that have passed. (Exhibit 6) Ms. Carlson also gave an update on the status of the 2019 Biennium Fiscal Report.

2017 BIENNIUM BUDGET STATUS REPORT (BSR)

00:31:57 Ms. Carlson, LFA explained the BSR is a quarterly financial report. This report provides information on revenues, expenditures to date, shortfalls or excess in revenues and any budget change documents that effect the budget. (Exhibit 7)

COMMITTEE QUESTIONS

00:35:57 Sen. Wolken
00:38:19 Rep. McCarthy

00:43:21 Stephanie Morrison, Fiscal Analyst, LFD provided an update on the general fund revenue summary. The summary is designed to apprise the LFC on year-to-date general fund revenue collections, recent economic trends and the outlook for FY 2017 relative to the revenue estimate contained in HJ 2. This report reflects the changes made to HJ 2 in House Tax Committee on April 6th.

00:44:54 Kris Wilkinson, Lead Fiscal Analyst, LFD summarized the type of information found in the budget and expenditures portion of the BSR, This report will include HB 2 changes; both allocated and modified budget; required reports and budget amendments, proprietary funds; and statutory appropriations.

00:55:04 Rep. Ballance requested information on the \$40.0 million federal preschool development grant awarded to Montana. Rob Miller, Fiscal Analyst, LFD provided a brief update. (Exhibit 7a)

MEDICAID MONITORING REPORT

00:50:55 Quinn Holzer, Operations Manager, LFD presented the Medicaid Monitoring Report. (Exhibit 8) This report is a continuation of the work plan item in the 2017 interim. This report covers Medicaid funding and expenditures and budget changes since the December 2016 LFC meeting.

COMMITTEE QUESTIONS

00:59:26 Rep. Ballance asked if a reference to triggers would be included in future reports.

STATE INFORMATION TECHNOLOGY

00:58:23 Amy Carlson explained that the LFC is the policy committee for state information technology as stated in the powers and duties. A report from the CIO will be presented at each LFC meeting to provide information on IT projects and policies.

01:04:20 Kris Wilkinson, Lead Analyst, LFD presented the following items under Tab 5:

- IT Project Cost and Development Tracking - this is a summary of IT project changes since the December 2016 meeting (Exhibit 9)
- IT Project Portfolio - provides in depth information about each IT project which meets the requirements to be presented to the LFC (Exhibit 9a)
- Summary of Project Portfolio Changes (Exhibit 9b)
- CIO Policy Report (Exhibit 9c)
- Supplemental Reports (Exhibit 9d)
- Post Implementation Reports (Exhibit 9e)

01:11:58 Ms. Wilkinson summarized the IT Project Cost and Development Tracking report. The Department of Public Health and Human Services added 3 new projects and the Teachers Retirement System added M-Trust Enhancements. Four projects have changed in terms of phase since the December 2016 meeting. There were two changes in terms of budget related to the Montana Department of Transportation.

01:14:10 Ron Baldwin, State CIO, discussed the IT Project Portfolio changes. Currently there are 42 projects either active or in close phase. Of those projects, four are in "yellow" status and one is in "red" status.

COMMITTEE QUESTIONS

01:20:09 Rep. Ballance

01:27:22 Rep. Holmlund

01:34:51 Gene Hermanson, Medicaid Systems Operation Manager, Department of Public Health and Human Services provided a handout on MMIS Modularity Update. (Exhibit 10). MPATH is the Montana Program for Automating and Transforming Healthcare. The presentation provided information on MPATH modules and details, modularity time line, accomplishments and current activities.

COMMITTEE QUESTIONS

01:42:09 Rep. Holmlund
01:42:11 Rep. Ballance
01:46:27 Rep. McCarthy
01:48:58 Rep. Holmlund
01:51:15 Rep. Ballance
01:59:53 Sen. Wolken

02:02:00 Lynn Pizzini, Deputy CIO, presented the CIO Policy Report. This report provides information on MITA compliance and an explanation for exception request granted and/or rescinded.

PUBLIC COMMENT

HOUSEKEEPING

02:04:32 Ms. Carlson, provided an update to the Budget Amendment Report (Exhibit 11) Also included in the committee notebooks is the 2019 Interim Work Plan Options. (Exhibit 12)

ADJOURNMENT

02:06:21 The committee reconvened for a planning meeting at the Helena College of Technology. The next meeting of the Legislative Finance Committee is September 25-26, 2017.