MINUTES LOG
December 15, 2021
Room 137
Helena, Montana

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the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken.
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can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed.
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MEMBERS PRESENT:
Rep. Kenneth Holmlund, Chair (R)
Sen. Janet Ellis (D)
Rep. Joe Read (R)
Rep. Jerry Schillinger (R)

MEMBERS EXCUSED:
Sen. Duane Ankney (R)
Sen. Tom Jacobson (D)
Rep. Jim Keane (D)
Sen. Jeffrey Welborn (R)

MEMBERS ABSENT:

STAFF PRESENT:
Brent Doig, OBPP Staffer
Alice Hecht, Legislative Fiscal Analyst
Joanne Kauzlarich, Secretary
Robert Miller, Legislative Fiscal Analyst
Gerry Murphy, OBPP Staffer
AGENDA (Attachment 1)

VISITORS’ LIST (Attachment 2)

COMMITTEE ACTION

CALL TO ORDER/ROLL CALL
08:31:57 Rep. Kenneth Holmlund-R called the meeting to order at 8:31 AM. The committee secretary took roll.

08:32:52 Chair Holmlund opened the meeting by welcoming Lt. Governor Juras.

Lt. Governor Juras - Status report on Gov. Gianforte’s regulatory reform project

08:33:23 Lt. Governor Juras presented overview of state agencies.

Exhibit 1


08:48:08 Lt. Governor Juras responded.

08:48:26 Chair Holmlund asked if other states were consulted to use as a model for the regulatory reform.


08:49:10 Chair Holmlund asked if there are other areas in state government that are following regulatory reform that are not under the direction of Governor Gianforte.


Budget Update FY 2021 Financial Report, LFD Staff

08:51:00 Rob Miller, Senior Fiscal Analyst, LFD presented Department Natural Resources and Conservation (DNRC) fiscal overview.

Exhibit 2

Exhibit 3

Exhibit 4

09:20:34 Sen. Ellis asked a question about the Covid 19 budget.

09:21:14 Mr. Miller responded.

09:21:19 Sen. Ellis clarified if she was interpreting the report correctly.

09:21:49 Mr. Miller responded.

09:22:37 Amanda Kaster, Director Department of Natural Resources and Conservation (DNRC) presented a fiscal overview as well as how DNRC can continue to improve in all areas of their agency.

09:26:39 Sonya Germann, Forestry Division Administrator, DNRC presented Forest Fire season 2021 update.

09:34:39 Rob Miller corrected a mistake in the verbiage of the fire fund update.

09:35:01 Ms. Kaster stated DNRC has a fire dashboard at mtfireinfo.org that is a valuable resource as well.
Chair Holmlund thanked Sue Clark for her exemplary service and congratulated her on her retirement.

Sen. Ellis asked Ms. Kaster about the Well Done Foundation, specifically if the standards are consistent in the ways wells are closed.

Ms. Kaster responded.

Sen. Ellis asked Ms. Kaster to explain why the vacancy savings is so high.

Ms. Kaster responded.

Sen. Ellis asked for clarification.

Ms. Kaster redirected Sen. Ellis's question to Sonya Germann.

Sonya Germann responded.

Sen. Ellis asked for further clarification.

Mr. Miller stated he could do a more thorough investigation of this topic and report back to her.

Sen. Ellis stated that that would be very helpful.

Mr. Miller asked if Sen. Ellis would like a vacancy savings calculation on HB 2 FTE only.

Rep. Read asked Sonya Germann if the committee could have a report on how many additional grants have been brought forward and monies distributed to landowners since the beginning of the MEPA process.

Ms. Germann responded.

Chair Holmlund asked if he could possibly get an update on Lake Elmo.

Ms. Kaster redirected the question to Mark Bostrom.

Mark Bostrom, administrator, Conservation Resource Development Division, DNRC, responded.

Chair Holmlund commented on how ironic it is that a state record breaker fish was taken out of Lake Elmo just before it was drained.

Mr. Bostrom responded.

Chair Holmlund asked Ms. Germann who prioritizes the order of the land projects in the Good Neighbor Authority.

Ms. Germann responded.

Chair Holmlund asked if private property owners are consulted if the project borders their property.

Ms. Germann responded.

Chair Holmlund praised the DNRC and Fish, Wildlife and Parks on their exemplary cooperation.

Rep. Schillinger asked if there was anything the committee can do to expand and accelerate the Good Neighbor Authority program.

Ms. Germann responded.

Rep. Schillinger expressed his appreciation for their help in the timber industry.

Chair Holmlund asked where we stand on federal reimbursement funds for fire suppression.

Ms. Germann redirected to Sue Clark.

Ms. Clark, DNRC responded.

Chair Holmlund said he would appreciate an update on the Federal funds.

Ms. Clark responded.
09:52:05 Chair Holmlund commented.
09:52:18 Sen. Ellis asked if they had a breakdown of how many ownership patterns burned this year.
09:53:09 Ms. Germann responded.
09:54:00 Sen. Ellis asked if that was something they had on hand.
09:54:26 Ms. Germann responded.

**Department of Fish, Wildlife, & Parks**

09:55:23 Rob Miller presented the Fish, Wildlife, and Parks (FWP) fiscal overview.

**Exhibit 5**

10:01:29 Hank Worsech, director, Fish, Wildlife, and Parks (FWP) presented overall health of the agency.

10:04:58 Sen. Ellis asked for clarification on HB 701 and how the marijuana revenue is dispersed.

10:05:45 Rob Miller responded

10:05:56 Sen. Ellis asked for clarification on where Montana marijuana revenue would be going.

10:06:17 Mr. Miller responded.

10:06:58 Sen. Ellis clarified if Habitat Montana money was also included in that bill.

10:07:47 Mr. Worsech responded.

10:07:53 Sen. Ellis asked for clarification on why under DP 307 and DP 308 there are no expenditures.

10:08:21 Mr. Worsech responded.

10:08:46 Rep. Schillinger asked how FWP is handling the cost increases.

10:09:55 Mr. Worsech responded.

10:10:46 Rep. Schillinger asked if FWP would consider increasing fees to offset their costs.

10:11:30 Mr. Worsech responded.

10:12:25 Chair Holmlund asked for public comment for DNRC and FWP.

10:12:46 Clayton Elliott, Montana Trout Unlimited (MTU), addressed the need to increase revenue and possible solutions.

**Department of Environmental Quality**

10:14:41 Rob Miller presented fiscal update on the Department of Environmental Quality (DEQ).

**Exhibit 6**

10:20:04 Chris Dorrington, director, Department of Environmental Quality (DEQ), introduced the agency members present and gave an agency update.

10:26:13 Sen. Ellis asked Mr. Dorrington to address the vacancy issue.

10:27:13 Mr. Dorrington responded.


10:32:20 Mr. Dorrington responded.


10:34:02 Mr. Dorrington redirected to Sonya Nowakowski.
10:34:16 Ms. Nowakowski responded.
10:34:54 Rep. Schillinger asked for clarification on who made the decision on revenue distribution.
10:35:48 Ms. Nowakowski responded.
10:36:15 Rep. Read asked about subdivision water permit issues in Lake County.
10:39:15 Mr. Dorrington responded.
10:40:25 Rep. Read explained this has put a stop to the subdivision process and needs to be addressed.
10:41:02 Mr. Dorrington responded.
10:41:07 Rep. Read stated he did not know who the signatory on the letter was.
10:41:37 Chair Holmlund thanked DEQ.

Department of Livestock

10:42:19 Rob Miller presented fiscal update for the Department of Livestock.

Exhibit 7

10:45:45 Mike Honeycutt, director, Department of Livestock, presented an overview of the agency.

10:56:53 Sen. Ellis asked if DP 405, testing for chronic wasting disease, has started yet.

10:57:28 Mr. Honeycutt responded.

10:58:37 Chair Holmlund asked if there is an expected date for finishing the lab.

10:58:45 Mr. Honeycutt responded.

10:59:32 Chair Holmlund asked if the money allocated to build the lab is going to be sufficient.

10:59:40 Mr. Honeycutt responded.

11:00:30 Chair Holmlund asked for public comment.

Department of Agriculture

11:01:22 Rob Miller presented the fiscal update for the Department of Agriculture.

Exhibit 8

11:04:21 Christy Clark, Director, Department of Agriculture (DOA), presented overview of agency.

11:08:22 Chair Holmlund asked for public comment.

Department of Transportation

11:10:43 Alice Hecht, Legislative Fiscal Division (LFD), presented the Department of Transportation fiscal overview.

Exhibit 9

11:22:33 Malcolm "Mack" Long, Director, Department of Transportation (DOT) presented an overview of the agency.

11:24:08 Rep. Schillinger asked if it would be possible to give the public a summary of project expenditures.

11:25:23 Mr. Long responded.

11:26:37 Sen. Cuffe asked if there will be enough winter maintenance drivers.

11:27:03 Mr. Long responded.
Sen. Cuffe asked if other states are having the same issue.
Mr. Long responded.
Sen. Cuffe asked what kind of compensation is available for winter employees.
Mr. Long responded.
Rep. Schillinger asked if waiving the CDL requirement would help the situation and who has that authority.
Mr. Long responded.
Sen. Hamilton asked if there is any flexibility in compensation.
Mr. Long responded.
Rep. Hamilton asked if it would be possible to provide temporary housing for these employees as an incentive.
Mr. Long responded.
Christine Hultin, Senior Budget Analyst, OBPP, stated the agencies have been affected by inflation, impacting their ability to hire more employees.
Chair Holmlund agreed and asked for public comment.
Sen. Boldman clarified who testified for DOT.
Chair Holmlund discussed who would chair the joint meeting.
Chair Hopkins asked if the Zoom link would change for the joint meeting.
Rob Miller responded.
Sen. Boldman asked when the joint meeting would start.
Chair Holmlund responded.
Sen. Boldman clarified it would start about 12:15pm.
Chair Holmlund responded.

**Lunch**

Chair Hopkins assumed the gavel and asked if the members had any questions.
Vice Chair Cuffe joined the meeting.

**Intro – Joe Triem, LFD**

Joe Triem, LFD, presented the update on Infrastructure Investment and Jobs Act.

*Exhibit 10*

Amy Sassano, OBPP, presented the Infrastructure Investment & Jobs Act fiscal overview.
Chair Hopkins agreed that a special session will most likely not be necessary.
Sen. Boldman joined the meeting.
Malcolm "Mack" Long, Director Montana Department of Transportation (MDT) presented a brief overview of the agency. Deferred to Larry Flynn.
Larry Flynn, CFO, Montana Department of Transportation (MDT) presented the fiscal overview for the agency.

Exhibit 11

Rep. Hamilton asked what percentage of the budget is comprised of labor and what is the inflationary pressure in this area.

Mr. Flynn responded.

Rep. Hamilton asked about the impact of 3rd party contractors.

Mr. Flynn responded.

Vice Chair Cuffe asked for an update on funding for safety concerns on interstate bridges.

Mr. Flynn responded.

Vice Chair Cuffe clarified that some of state money could be designated for interstate bridges.

Mr. Flynn responded.

Chris Dorrington, Department of Environmental Quality (DEQ) presented fiscal overview.

Sen. Ellis asked for clarification on the designated funding for the lead pipe issue.

Mr. Dorrington responded.

Sen. Ellis if the lead pipe issue is technically a DEQ project.

Mr. Dorrington redirected to Anna Miller, Department of Natural Resources and Conservation (DNRC).

Anna Miller responded.

Amanda Kaster, Director, Department of Natural Resources and Conservation (DNRC) presented project overview.

Chair Hopkins thanked DNRC for all their hard work.

Chad Rupe, Broadband Program Manager, Department of Administration (DOA), presented fiscal overview.

Sen. Ellis asked Mr. Rupe to confirm that Montana would send a letter requesting Broadband funding and what the time frame would be.

Mr. Rupe responded.

Rep. Schillinger asked how a satellite program would fit in with the broadband system.

Mr. Rupe responded.

Chair Hopkins stated that this was a topic of discussion during the Legislative Session.

Vice Chair Cuffe asked if there are other ways to fund a broadband project.

Mr. Rupe responded.

Chair Hopkins asked for public comment.

Clayton Elliott, Montana Trout Unlimited (MTU), discussed some of their challenges.

Scott Mendenhall, Director, American Rescue Plan Act (ARPA), presented a big picture overview of the program.
DNRC discussion of HB 632 projects

13:30:19 Amanda Kaster, DNRC, recognized the commission and presented a fiscal overview of HB 632 projects.


13:55:19 Vice Chair Cuffe asked if we could put emphasis on government entities working together on these projects.

13:56:33 Rep. Hamilton asked why there were minimum allocation grants in the competitive grants program.

13:58:50 Rep. Hamilton asked why several counties have not applied for the minimum grants available to them.

13:59:09 Rep. Hamilton questions why Sheridan County received a competitive grant, but not their minimum grant.

Projects from HB 6, HB 7, and HB 14

14:01:30 Autumn Coleman presented an overview of HB 6, HB 7, and HB 14 projects.

14:08:37 Anna Miller, DNRC, presented information about the grant process.

14:15:27 Rep. Vinton thanked the directors and staff that have worked so diligently on the state infrastructure.

14:17:06 Chair Hopkins concurred.

ARPA Infrastructure Commission projects

14:18:50 Adam Schafer, Deputy Director, Department of Commerce (DOC), presented fiscal overview for HB 11 and HB 14.


14:27:27 Chad Rupe gave fiscal overview for the Broadband program.

14:32:21 Chair Hopkins praised DOA for all their hard work.

14:33:25 Mr. Rupe responded.

14:33:39 Chair Holmlund adjourned Natural Resources and Transportation committee.

ADJOURNMENT
Adjournment: 14:35:03