MINUTES LOG
January 27, 2022
RM 317
Helena, Montana

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MEMBERS PRESENT:
Chair Jones, Chair (R)
Sen. Janet Ellis, Vice Chair (D)
Rep. Mary Caferro (D)
Mark Haggerty, Public Member
Dwaine Iverson, Public Member
Rep. Bill Mercer (R)
Heather O'Loughlin, Public Member
Sen. Daniel Salomon (R)
Rep. Sharon Stewart Peregoy (D)

MEMBERS EXCUSED:
Mike Hope

STAFF PRESENT:
Amy Carlson, Legislative Fiscal Analyst
Caitlin Cashman, Secretary
Sam Schaefer, Fiscal Analyst
Nick VanBrown, Fiscal Analyst

MONTANA LEGISLATIVE SERVICES DIVISION STAFF:  SUSAN BYORTH FOX, EXECUTIVE DIRECTOR • SONJA NOWAKOWSKI, DIRECTOR, OFFICE OF RESEARCH AND POLICY ANALYSIS • TODD EVERTS, DIRECTOR, LEGAL SERVICES OFFICE • DALE GOW, CIO, OFFICE OF LEGISLATIVE INFORMATION SERVICES • JOE KOLMAN, DIRECTOR, LEGISLATIVE ENVIRONMENTAL POLICY OFFICE • ANGIE CARTER, FINANCIAL SERVICES MANAGER
CALL TO ORDER/ROLL CALL
09:35:37 Chair Jones called the meeting to order at 9:35 AM. The committee secretary took roll.

Property Tax Update
09:36:29 Julia Pattin, Legislative Fiscal Division (LFD)

EXHIBIT 1
09:48:47 Chair Jones
09:49:21 Nick VanBrown, Legislative Fiscal Division (LFD) presented an interactive visual analysis of possible property tax impacts from a proposed constitutional amendment.
09:59:57 Chair Jones commented on the presentation.
09:59:57 Rep. Stafman asked a question of Julia Patton regarding the accuracy of Zillow projections and how that may affect projections.
09:57:44 Julia Pattin, LFD responded.
09:58:38 Chair Jones asked for additional questions. There were none.
09:58:50 Nick VanBrown, LFD
09:58:42 Chair Jones asked if there were any additional committee questions of Nick VanBrown.
10:00:16 Chair Jones commented on the question.
10:00:51 Amy Carlson, Legislative Fiscal Analyst, referred both Chair Jones and Rep. Carlson to Jaret Coles, an attorney who can explain the legal complexities of a constitutional amendment.
10:01:10 Chair Jones
10:01:12 Rep. Bedey commented on the good presentations by staff and proposed a thought experiment.
10:03:41 Vice Chair Ellis referenced a letter from the Revenue Interim Committee that specifically asked the MARA committee to consider putting more investigative work on future agendas.
10:04:18 Amy Carlson provided context for Vice Chair Ellis and the committee.
10:05:43 Chair Jones called on a committee member who was participating via Zoom.
10:05:48 Dwaine Iverson shared some comments with the committee.
10:06:29 Chair Jones affirmed the comments.
10:06:39 Rep. Nave commented on the simplification of the charts and would like to see more detailed analyses.
**Workforce: Shortages & Permanent**

10:10:40 Barbara Wagner, Department of Labor and Industry (DLI)

**EXHIBIT 2**

10:35:19 Chair Jones

10:35:23 Rep. Bedey commented on the presentation and expressed some concerns. He was wondering if he summarized the presentation correctly.


10:43:49 Rep. Beard asked a follow up question regarding how the economy and workforce may be reacting in 2024 or 2025.

10:44:39 Barbara Wagner addressed the question.


10:47:36 Barbara Wagner deferred the question to a housing expert.


10:50:08 Barbara Wagner responded to the question. Productivity is measurable with a formula.


10:53:16 Barbara Wagner provided an explanation.

10:54:10 Chair Jones

10:54:27 Rep. Caferro asked two questions regarding people who work two jobs at minimum wage, and those who leave a job because they have a wage increase at their primary job.

10:55:54 Barbara Wagner addressed the questions.

10:57:40 Rep. Caferro reiterated her question regarding the graying population.

10:58:01 Barbara Wagner addressed the question.

10:58:58 Chair Jones called on Rep. Carlson to ask her question, but also informed the committee of a need to stay on schedule.

10:59:08 Rep. Carlson made a comment about looking for information on the labor force participation by age group and by gender.

10:59:46 Barbara Wagner will be happy to provide this information to the committee.

10:59:59 Chair Jones rolled the discussion onto the next topic.
Montana Child Care and Labor
11:00:03  Amy Watson, Department of Labor and Industry (DLI)

EXHIBIT 3

11:16:19  Chair Jones

11:16:23  Rep. Nave asked if the percentage is the amount of childcare available with respect to need or is it the percent of the shortage according to need.

11:16:59  Amy Watson responded to the question.

11:17:17  Rep. Nave asked a follow up question having to do with the survey on business impacts and the period of time over which the survey was conducted.

11:17:55  Amy Watson responded to the question.


11:18:33  Chair Jones

11:18:43  Chair Jones clarified the pre-COVID timeline.


11:19:34  Amy Watson confirmed that Rep. Mercer was interpreting the graph correctly.

11:20:01  Rep. Mercer asked a follow up question referring to the last slide in the presentation. Asking broadly about the sample size and what the response ought to be.

11:21:30  Amy Watson responded and explained that the survey was conducted as a representative sample of the entire population of Montana businesses that pay into our unemployment insurance system.

11:22:58  Rep. Mercer asked if the committee could get the whole study. How many entities were asked to provide data and how many responded? It was weighted and should have empirical consistency.

11:23:39  Chair Jones asked Amy Watson to please expand on this with full report.

11:24:08  Sen. Salomon asked about how many parents want to raise their own child.

11:24:49  Amy Watson explained the context.

11:25:15  Sen. Salomon asked a follow up question

11:25:44  Amy Watson responded.

11:26:13  Chair Jones

11:26:14  Rep. Beard asked when state-licensed day care centers were started in Montana.

11:26:44  Amy Watson responded with the year (2000), and shared that the Department of Health and Human Services (DPHHS) will be able to answer this question specifically.

11:27:03  Vice Chair Ellis asked if there are any plans to do this survey again post-Pandemic.

11:27:27  Amy responded that there is no plan in the works, but it can be done.

11:27:55  Chair Jones

11:28:06  Chair Jones outlined how the meeting will run moving forward.

11:28:32  Vice Chair Ellis asked Barbara Wagner if there is a trend to measure absenteeism. Wondering how over-hiring impacts job openings.
Barbara Wagner can provide this information over time. Can try to get pre-Pandemic data.

Rep. Stafman asked a question of Barbara Wagner regarding the relationship between remote work and migration to Montana.

Barbara Wagner responded that there is data available.

Rep. Hill asked a question of Amy Watson about a benefit cliff.

Amy Watson asked a clarifying question.

Rep. Hill

Chair Jones


Chair Jones thanked the Department of Labor and Industry for the presentations and called for a ten-minute recess.

Recess

Reconvene

Changes in Work and Child Care

Linda Smith, Bipartisan Policy Center (BPC) began with an introduction and continued on to the presentation.

EXHIBIT 4

Linda Smith offered to take committee questions at any point during her presentation.

Linda Smith posed a question to the committee: In Montana, what is the biggest challenge: lack of care, cost, quality, operating hours or something else?

Rep. Caferro welcomed Ms. Smith back to Montana and began to talk about wages as being an answer to the question. Non-traditional hours and low wages being two potential answers to the question.

Linda Smith continued on with the presentation.

Chair Jones looked online to see if there were hands raised.

Sen. Salomon shared that he believes cost and operating hours to be two answers to the question.

Linda Smith acknowledged the difference between the school issue and the Birth to Five issue raised by Sen. Salomon.

Rep. Stewart-Peregoy shared her thoughts in regard to the question.

Linda Smith responded to Rep. Stewart_Peregoy’s comments and said that it is the state that regulates by law what is in the childcare development block grant. The National Association for the Education of Young Children (NAEYC) only provides recommendations.

Linda Smith continued on with the presentation.

Linda Smith posed a new question: So what's the plan to meet the future needs of Montana families and businesses?

Linda Smith continued on with her presentation: "Moving Forward..."

Chair Jones
Rep. Stafman posed a question about paid parental leave and asked if there are trends or laws.

Linda Smith replied.

Chair Jones

Rep. Carlson shared her thoughts with the committee.


Rep. Nave shared her comments with the committee.


Chair Jones

Vice Chair Ellis wondered about rural state examples of childcare.

Linda Smith responded to Vice Chair Ellis.

Chair Jones

Sen. Friedel asked a question.

Linda Smith asked for clarification due to poor technical quality.

Sen. Friedel wondered how many in the workforce are using childcare as opposed to those who are not.

Linda Smith responded.

Sen. Friedel asked a follow up question. Chair Jones helped to restate question for Linda Smith.

Linda Smith will have to look at the Census data.

Sen. Friedel asked a follow up question.

Linda Smith responded to Sen. Friedel.

Sen. Friedel asked a follow up question regarding what the state pays.

Linda Smith responded.

Chair Jones

Chair Jones wrapped up this portion of the meeting, citing a need to stay on track because of the presentation from 2 to 3 PM.

Child Care Panel of Experts

Caitlin Jensen, Executive Director of Zero to Five Montana

EXHIBIT 5

Chair Jones addressed the committee saying that questions will be put on hold until the end of the presentation.

Erica Mackey, CEO and Co-Founder of MyVillage.

EXHIBIT 6

Chair Jones opened up meeting for questions.

Heather O'Loughlin asked a question for Erica Mackey: What do you think state policy makers should be thinking about in supporting workers and the childcare system as a whole.

Erica Mackey responded.

Chair Jones
Chair Jones thanked the panelists for their participation.

**Future of the Health Care Industry**

14:01:59 Josh Poulette, Legislative Fiscal Division (LFD)
14:04:08 Chair Jones
14:04:14 Josh Poulette, LFD
14:04:25 Michael Chernew introduced himself but was experiencing technical difficulties at the beginning of the presentation.
14:06:14 Michael Chernew, PhD, Leonard D. Schaeffer Professor of Health Care Policy and the Director of the Healthcare Markets and Regulation (HMR) Lab in the Department of Health Care Policy at Harvard Medical School

**EXHIBIT 7**

14:31:35 Chair Jones asked if anyone has questions.
14:31:51 Michael Chernew
14:32:44 Michael Chernew responded to the question.
14:34:25 Chair Jones
14:34:26 Rep. Mercer asked if Michael Chernew was describing what was happening in the market nationally or if it is a policy problem, or both.
14:35:17 Michael Chernew responded.
14:37:48 Chair Jones
14:38:55 Josh Poulette introduced the next speaker, Dr. Joe Antos of the American Enterprise Institute (AEI) to the committee.
14:39:32 Dr. Joe Antos, American Enterprise Institute (AEI)
14:40:06 Taylor Tyson, Remote Meeting Coordinator (RMC)
14:40:24 Dr. Joe Antos
14:42:18 Josh Poulette
14:43:55 Dr. Joe Antos was experiencing technical difficulties so Josh Poulette (LFD) shared the exhibit with the committee.

**EXHIBIT 8**

15:22:07 Chair Jones asked if the committee had questions.
15:22:20 Vice Chair Ellis wondered if there are some states that are doing a better job than others in regard to the aging population.
15:23:08 Dr. Joe Antos responded to the question.
15:25:00 Chair Jones
15:25:02 Rep. Mercer wondered if you can reflect on reference-based pricing or anything that can utilized to cap pricing.
15:26:06 Dr. Joe Antos responded.
15:33:13 Chair Jones
Chair Jones commented on past group exercises before asking if there is a way for insurance to incentivize the patient to care, and also have the insurer care. Is there a viable solution other than a captive to make this work.

Dr. Joe Antos responded to Chair Jones's questions and comments.

Chair Jones thanked Dr. Antos for his time.

Rep. Caferro shared specific input before she left: The Representative would appreciate the opportunity to work with staff and would recommend looking at the overall financial structure. Essentially, who is paying, what are they paying, and what are the outcomes (and "outcomes" meaning "healthcare outcomes"). The Representative is not interested in the little pieces but is interested in the whole structure.

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**Public Comment & Informational Witnesses**

Chair Jones opened up the room for public comment.

Taylor Tyson, RMC

Dr. Robert Sonora was asked to join by Sen. O'Brien to act as an informational witness and to answer questions. Dr. Robert Sonora is from the Bureau of Business and Economic Research (University of Montana).

Amy Carlson assured Dr. Robert Sonora that his report was posted to the MARA website.

Dr. Robert Sonora explained his document to the committee.

EXHIBIT 9

Chair Jones asked if the committee had questions.

Josh Butterfly, Let Them Come Home, was referred by the committees in charge of redistricting to testify to the committee.

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**Committee Discussion**

Chair Jones summarized the major topics of the day and opened up the meeting for committee discussion.

Rep. Mercer would like an update in terms of how Section B folks dealt with ARPA dollars.

Vice Chair Ellis agrees with Rep. Mercer's request. Would also like the financial report dealing with the ARPA funds.

Chair Jones affirmed both requests made by Rep. Mercer and Vice Chair Ellis.

Amy Carlson

Chair Jones asked the committee if a highlight by Josh Poulette would be helpful at this meeting or the next meeting.

Vice Chair Ellis would like the information today.

Josh Poulette reminded the committee of a folder they should have from DPHHS and began presentation on HB 632.

EXHIBIT 10
Chair Jones asked a clarifying question regarding stabilization grants.

Josh Poulette responded to Chair Jones.

Chair Jones would like additional information and a deeper look into what it is paying for, where is it going, and for what reason.

Heather O’Loughlin commented on Rep. Caferro’s suggestions as well as highlighting some other areas that the committee, or perhaps the state, needs to be thinking about on a longer-term basis.

Chair Jones would like to understand a little bit better what is meant by “home base.”

Vice Chair Ellis commented on some of the additional information that will be needed to develop models.

Chair Jones affirmed that Barbara Smith will be able to fill in some of the data gaps for the committee.

Chair Jones shifted the attention of the committee to the healthcare portion of the discussion and expressed agreement with Rep. Caferro’s previous comment about needing to understand what money is going where. He also spoke about incentives and deductibles.

Rep. Mercer would like to keep trying to develop competency and hearing from a broad set of people in terms of what ideas they perceive to be things the committee should be thinking about as well. The committee needs to be thinking about cost containment, amongst other things.

Heather O’Loughlin shared general questions and commentary.

Chair Jones commented.

Amy Carlson distributed copies of a future agenda to the committee and began the discussion regarding the MARA meeting in March of 2022.

Chair Jones would like some clarification on the 1% cap in the proposed property tax constitutional amendment.

Amy Carlson responded to the questions posed by Chair Jones.

Nick VanBrown addressed the committee and said that more scenarios can be run.

Chair Jones commented that it would be helpful to see things as clearly as possible.

Amy Carlson mentioned inviting Jaret Coles, an attorney with the Legal Services Office, to a future MARA meeting.

Dwaine Iverson asked how this will affect rental properties.

Chair Jones responded.

Amy Carlson told the committee that an invitation will be extended to attorney Jaret Coles for the next meeting.


Vice Chair Ellis commented on the housing issue. Wondering where we are in terms of housing and are people thinking creatively about data.

Chair Jones responded.
Amy Carlson responded to Vice Chair Ellis and segued into a conversation about next steps with Pew Research Center. The thought was to have Pew work with the Legislative Fiscal Division (LFD) and to some extent the committee on technical support in particular, and to have someone cross check and validate the work.

Kil Huh, Pew Research Center introduced himself, reiterated that the MARA effort is an extremely innovative approach to looking at long-term risks, and offered to support the Legislative Fiscal Division (LFD) moving forward. He then left the meeting.

Chair Jones asked for committee questions.

Vice Chair Ellis is interested in knowing what data is available to the committee. Chair Jones stressed that it is important to make sure assumptions are being tested. The outcome of the model ought to have a competency to it.

Amy Carlson added that the intention of each interim is to keep everyone apprised of what is going on, and to get feedback along the way.

Chair Jones clarified with Amy Carlson that the intention is to move forward with the Pew Research Center (PEW).

Dwaine Iverson shared that outside peer review is a good idea and that things need to remain somewhat simplistic.

Chair Jones asked if there were additional thoughts or comments.

Rep. Mercer wanted to comment on something that stood out as an unreliable statement from earlier in the meeting. Chair Jones told the Representative to please go ahead with the comment.

Chair Jones clarified his comments.

Rep Mercer discussed the Department of Business and Labor data that was presented during the meeting.

Chair Jones reiterated the importance of making sure the data sets are clear.

Rep. Mercer thanked Chair Jones and Amy Carlson for adding the additional meeting saying that it was a good use of the committee’s time.

Chair Jones called on Dwaine Iverson who also thought it was a good meeting and asked if there is a way to determine cost in regard to hospitals in terms of increasing or reducing cost.

Chair Jones shared his opinion and asked if there is a way to look into that for the committee.

Amy Carlson asked a clarifying question.

Chair Jones provided some clarification and examples for Amy Carlson and the committee.

Josh Poulette shared his inclination to have this as a potential topic for the March meeting and see what research suggests about consolidation.

Sen. Salomon shared some history about this issue with the committee.

Heather O’Loughlin commented that there may be some information on price transparency from a past interim that may be helpful to the committee.

Chair Jones

Josh Poulette affirmed the comments made by Heather O’Loughlin and shared that the report was more about transparency than consolidation.
Chair Jones shared some comments about wrapping up the meeting and checked with Amy Carlson to see if the committee was ready to adjourn.

Amy Carlson welcomed MARA to join a Local Government meeting tomorrow morning and shared that there is a report on a Land Use Study Group that will touch on the housing issue that will be posted online.

Chair Jones wanted to note that the principle of partnering with other committees on their topics seems to be working well. Amy Carlson also clarified that the May MARA meeting is set for the day after Memorial Day which can be changed if need be and can be discussed at the March MARA meeting. Chair Jones commented on how MARA is turned into a two-day meeting group and adjourned the meeting.

**ADJOURNMENT**
Adjournment: 16:51:15