

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 64th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

Call to Order: Chair Ryan Osmundson, on February 13, 2015 at 8:00 AM, in Room 350 Capitol

ROLL CALL

Members Present:

Rep. Ryan Osmundson, Chair (R)
Sen. Janna Taylor, Vice Chair (R)
Sen. Mark Blasdel (R)
Rep. Kelly McCarthy (D)
Sen. Mike Phillips (D)
Rep. Brad Tschida (R)

Members Excused: None

Members Absent: None

Staff Present: Sam Schaefer, Legislative Branch
Kris Wilkinson, Legislative Branch
Phoebe Williams, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary: Executive Action on State Auditor's Office and Department of Revenue

EXECUTIVE ACTION ON STATE AUDITORS OFFICE

- 00:00:23 Kris Wilkinson, Legislative Fiscal Division (LFD)
- 00:01:17 **Motion/Vote:** Sen. Blasdel moved **TO ADOPT LONGEVITY AND OTHER ADJUSTMENTS FOR THE STATE AUDITOR'S OFFICE AND THE DEPARTMENT OF REVENUE.** Motion carried unanimously by voice vote.
- 00:01:57 **Motion/Vote:** Sen. Blasdel moved **TO ADOPT CLASSIFIED STAFF STRATEGIC AND PERFORMANCE PAY AND BENEFITS.** Motion carried unanimously by voice vote.
- 00:02:57 **Motion/Vote:** Sen. Blasdel moved **TO ADOPT THE ELECTED OFFICIAL INCREASE.** Motion carried unanimously by voice vote.
- 00:03:07 **Motion/Vote:** Sen. Blasdel moved **EQUIPMENT AS A ONE -TIME ONLY RESTRICTED APPROPRIATION OF \$20,000.00 in 2016 and \$20,000.00 in 2017.** Motion carried unanimously by voice vote.
- 00:04:32 Chairman Osmundson
- 00:04:53 **Motion/Vote:** Rep. McCarthy moved **TO ADOPT EXECUTIVE IMPLEMENTATION OF 2015 PAY INCREASE FOR BOTH CLASSIFIED AND EXEMPT EMPLOYEES AND EXEMPT STAFF MARKET AND PERFORMANCE INCREASE AND BENEFITS FOR BOTH AGENCIES.** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.
- 00:05:41 Chairman Osmundson
- 00:05:49 **Motion:** Rep. McCarthy moved **TO ADOPT THE MARKET INCREASE FOR CLASSIFIED EMPLOYEES AND BENEFITS.**
- Discussion:**
- 00:06:19 Kris Wilkinson, LFD
- 00:06:34 Without objection, Rep. McCarthy withdrew his motion.
- 00:06:55 **Motion/Vote:** Rep. McCarthy moved **TO ADOPT THE MARKET INCREASE FOR CLASSIFIED EMPLOYEES AND BENEFITS IN THE STATE AUDITOR'S OFFICE UNDER PROGRAMS 1, 3 AND 4.** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.
- 00:07:16 **Motion/Vote:** Rep. McCarthy moved **TO ADOPT NEW HIRES ABOVE BUDGETED AMOUNT IN STATE AUDITOR'S OFFICE PROGRAM 1, 3 AND 4.** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.
- 00:08:14 **Motion:** Rep. McCarthy moved **TO ADOPT OPERATING COST ADJUSTMENTS IN THE STATE AUDITOR'S OFFICE UNDER PROGRAMS 1, 3 AND 4.**

00:08:54 Kris Wilkinson, LFD
00:09:26 Sen. Phillips
00:09:41 Kris Wilkinson, LFD
00:10:21 Sen. Phillips
00:10:30 Without objection, Rep. McCarthy withdrew his motion.

00:11:00 **Motion/Vote:** Rep. McCarthy moved **TO ADOPT OPERATING COST ADJUSTMENTS IN THE STATE AUDITOR'S OFFICE UNDER PROGRAM 1 IN THE AMOUNTS OF \$45,347.00 FISCAL YEAR 2016 AND \$34,145.00 IN FISCAL YEAR 2017.** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.

00:11:21 **Motion:** Rep. McCarthy moved **TO ADOPT OPERATING COST ADJUSTMENTS FOR STATE AUDITOR'S OFFICE UNDER PROGRAM 3 INSURANCE AND PROGRAM 4 SECURITIES.**

Discussion:

00:11:32 Chairman Osmundson
00:11:43 Rep. McCarthy
00:11:50 Sen. Taylor
00:12:04 Without objection, Rep. McCarthy withdrew his motion.

00:12:18 **Motion/Vote:** Sen. Blasdel moved **TO ADOPT OTHER PERSONAL SERVICE CHANGES IN THE STATE AUDITOR'S OFFICE UNDER PROGRAMS 1, 3 AND 4.** Motion carried unanimously by voice vote.

00:12:47 Sen. Blasdel
00:12:59 Kris Wilkinson, LFD

00:13:07 **Motion/Vote:** Sen. Blasdel moved **TO ADOPT THE RENT INCREASE IN THE STATE AUDITOR'S OFFICE UNDER PROGRAM ONE.** Motion carried unanimously by voice vote.

00:13:18 **Motion:** Sen. Blasdel moved **TO ADOPT REORGANIZATION OF OPERATING EXPENSES AND REORGANIZATION OF PERSONAL SERVICES IN THE STATE AUDITOR'S OFFICE UNDER PROGRAM 1.**

Discussion:

00:13:31 Kris Wilkinson, LFD
00:13:42 Without objection, Sen. Blasdel withdrew his motion.

00:13:55 **Motion/Vote:** Sen. Blasdel moved **TO ADOPT REORGANIZATION OF OPERATING EXPENSES AND REORGANIZATION OF PERSONAL SERVICES IN THE STATE AUDITOR'S OFFICE UNDER PROGRAM 1, 3 AND 4.** Motion carried unanimously by voice vote.

00:14:02 Chairman Osmundson
00:14:23 Rep. McCarthy
00:14:30 Kris Wilkinson, LFD

00:16:21 Rep. McCarthy
00:16:29 Brian Hannan, OBPP
00:17:44 Rep. McCarthy

00:17:50 **Motion/Vote:** Sen. Blasdel moved **TO ADOPT CAPTIVE INSURANCE FTE IN THE STATE AUDITOR'S OFFICE UNDER PROGRAM 3.** Motion carried unanimously by voice vote.

00:18:11 **Motion/Vote:** Sen. Blasdel moved **TO ADOPT CLASSIFIED STAFF STRATEGIC AND PERFORMANCE PAY AND BENEFITS IN THE STATE AUDITOR'S OFFICE UNDER PROGRAM 3.** Motion carried unanimously by voice vote.

00:18:26 Sen. Phillips
00:18:47 Chairman Osmundson

00:18:59 **Motion:** Rep. McCarthy moved **TO ADOPT INSURE MONTANA GENERAL FUND ONE-TIME ONLY APPROPRIATION OF \$4,769,387.00 IN FISCAL YEAR 2016 AND ZERO IN FISCAL YEAR 2017 AND THE ONE-TIME-ONLY POSITIONS FIGURES AS STATED.**

Discussion:

00:20:22 Rep. McCarthy
00:20:35 Chairman Osmundson

00:20:41 **Vote:** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.

00:21:04 Chairman Osmundson

00:21:12 **Motion/Vote:** Sen. Blasdel moved **TO ADOPT LOWER FINANCIAL EXAMINATION AND MARKET COST CONDUCT IN THE SATE AUDITOR'S OFFICE PROGRAM 3.** Motion carried unanimously by voice vote.

00:21:23 **Motion/Vote:** Sen. Blasdel moved **TO ADOPT THE MCHA REDUCTION IN THE STATE AUDITOR'S OFFICE PROGRAM 3.** Motion carried unanimously by voice vote.

00:21:40 Chairman Osmundson

00:21:59 **Motion/Vote:** Sen. Blasdel moved **TO ADOPT OTHER MARKET INCREASE (STAFF BELOW 80%) IN THE STATE AUDITOR'S OFFICE UNDER PROGRAM 3.** Motion carried unanimously by voice vote.

00:22:12 Sen. Blasdel
00:22:22 Kris Wilkinson, LFD

- 00:22:26 **Motion/Vote:** Sen. Blasdel moved **TO ADOPT PAY EQUALIZATION INCREASES IN THE AUDITOR'S OFFICE UNDER PROGRAM 3.** Motion carried unanimously by voice vote.
- 00:22:44 **Motion/Vote:** Sen. Blasdel moved **TO ADOPT THE RATE REVIEW CONTRACT AS A ONE-TIME-ONLY RESTRICTED APPROPRIATION IN THE STATE AUDITOR'S OFFICE UNDER PROGRAM 3.** Motion carried unanimously by voice vote.
- 00:22:59 Chairman Osmundson
- 00:23:09 **Motion/Vote:** Rep. McCarthy moved **STATISTICAL AIDE IN THE STATE AUDITOR'S OFFICE PROGRAM 3.** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.
- 00:23:40 Chairman Osmundson
- 00:23:47 **Motion/Vote:** Sen. Blasdel moved that **UNDER PROGRAM 4 SECURITIES CLASSIFIED STAFF STRATEGIC AND PERFORMANCE PAY BENEFITS.** Motion carried unanimously by voice vote.
- 00:24:04 Chairman Osmundson
00:24:17 Rep. McCarthy
00:24:26 Kris Wilkinson, LFD
00:24:35 Chairman Osmundson
00:24:47 Kris Wilkinson, LFD
- 00:24:54 **Motion/Vote:** Rep. McCarthy moved **EXEMPT STAFF PROMOTION IN STATE AUDITOR'S UNDER PROGRAM 4 SECURITIES.** Motion carried unanimously by voice vote.
- 00:25:22 Chairman Osmundson
- 00:25:30 **Motion/Vote:** Sen. Blasdel moved **LOWER FINANCIAL EXAMINATION AND MARKET CONDUCT UNDER PROGRAM 4 IN STATE AUDITOR'S OFFICE.** Motion carried unanimously by voice vote.
- 00:25:44 Chairman Osmundson
00:25:53 Kris Wilkinson, LFD
00:26:02 Chairman Osmundson
- 00:26:12 **Motion/Vote:** Rep. McCarthy moved **SECURITIES EXAMINER FTE UNDER PROGRAM 4 IN THE STATE AUDITOR'S OFFICE.** Motion carried unanimously by voice vote.
- 00:26:36 Sen. Blasdel
00:27:07 Kris Wilkinson, LFD
- 00:27:34 RECESS
00:30:59 RECONVENE

00:31:07 Chairman Osmundson

00:31:15 **Motion/Vote:** Sen. Taylor moved to **REVISIT THE STATISTICAL AIDE UNDER PROGRAM 3 STATE AUDITOR'S OFFICE AND MOVE THE AMOUNTS OF \$30,027 IN 2016 AND \$29,953 IN 2017.** Motion carried unanimously by voice vote.

00:32:38 **Motion/Vote:** Sen. Taylor moved to **REMOVE \$41,772 IN 2016 AND \$39,692 IN 2017 FROM THE SECURITIES EXAMINER IN PROGRAM4 UNDER THE STATE AUDITOR'S OFFICE.** Motion carried 4-2 by roll call vote with Rep. McCarthy and Sen. Phillips voting no.

EXECUTIVE ACTION DEPARTMENT OF REVENUE

00:34:20 Chairman Osmundson

00:34:24 Sen. Taylor

00:34:43 Chairman Osmundson

00:34:47 **Motion/Vote:** Rep. McCarthy moved **THE COMPUTER SYSTEM ANALYST POSITION IN THE DIRECTOR'S OFFICE UNDER THE DEPARTMENT OF REVENUE.** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.

00:35:20 **Motion:** Rep. McCarthy moved **THE ENHANCE BANKRUPTCY POSITION IN PROGRAM 1 AND PROGRAM 5 UNDER DEPARTMENT OF REVENUE.**

00:35:45 Chairman Osmundson

00:35:50 Rep. McCarthy

00:36:40 Chairman Osmundson

00:36:45 **Vote:** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.

00:37:04 Rep. McCarthy

00:37:11 Kris Wilkinson, LFD

00:37:24 **Motion/Vote:** Rep. McCarthy moved **EXECUTIVE IMPLEMENTATION OF 2015 PAY INCREASE IN ALL PROGRAMS UNDER THE DEPARTMENT OF REVENUE.** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.

00:38:03 **Motion/Vote:** Sen. Taylor moved **FISCAL NOTE OVERTIME OF \$70,000 IN 2017 AS ONE TIME ONLY RESTRICTED.** Motion carried unanimously by voice vote.

00:38:37 **Motion:** Sen. Taylor moved **OPERATING COST ADJUSTMENTS UNDER PROGRAM 1 IN DEPARTMENT OF REVENUE ALL FOUR FUNDING SOURCES.** Motion carried unanimously by voice vote.

- 00:39:09 **Motion/Vote:** Rep. McCarthy moved **OTHER PERSONAL SERVICES CHANGES IN PROGRAM 1 UNDER THE DEPARTMENT OF REVENUE.** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.
- 00:39:47 **Motion/Vote:** Sen. Taylor moved **REORGANIZATION IN OPERATING EXPENSES AND PERSONAL SERVICES UNDER PROGRAMS ONE AND FIVE IN THE DEPARTMENT OF REVENUE.** Motion carried unanimously by voice vote.
- 00:40:59 **Motion:** Rep. McCarthy moved **SERVER REPLACEMENTS IN PROGRAM 1 UNDER THE DEPARTMENT OF REVENUE IN THE AMOUNTS STATED.**
- 00:41:14 Rep. McCarthy
00:41:59 Sen. Phillips
- 00:42:11 **Substitute Motion/Vote:** Sen. Taylor made a substitute motion **TO MAKE THE SERVER REPLACEMENTS ONE-TIME-ONLY AND BE RESTRICTED.** Substitute Motion carried unanimously by voice vote.
- 00:43:11 **Motion:** Rep. McCarthy moved **THE COMPLIANCE SPECIALIST UNDER PROGRAM 3 UNDER THE DEPARTMENT OF REVENUE.**
- 00:43:33 Rep. McCarthy
00:44:09 Chairman Osmundson
00:44:58 Sam Schaefer, Legislative Fiscal Division
00:45:24 Sen. Phillips
00:45:35 Chairman Osmundson
00:46:08 Sen. Phillips
00:46:30 Chairman Osmundson
00:46:55 Rep. McCarthy
00:47:08 Chairman Osmundson
00:47:29 Sam Schaefer, LFD
00:48:46 Chairman Osmundson
00:48:58 Sen. Taylor
00:49:12 Sam Schaefer, LFD
00:49:31 Chairman Osmundson
- 00:49:37 **Vote:** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.
- 00:49:56 **Motion/Vote:** Sen. Taylor moved **OPERATING COST ADJUSTMENTS EQUIPMENT LIFE CYCLE AS ONE-TIME-ONLY UNDER PROGRAM 3 UNDER DEPARTMENT OF REVENUE.** Motion carried unanimously by voice vote.
- 00:50:33 **Motion:** Sen. Taylor moved **OTHER PERSONAL SERVICES CHANGES, OVERTIME AND TERMINATION PAY OUTS UNDER PROGRAM 3 UNDER DEPARTMENT OF REVENUE.**

00:50:58 **Substitute Motion:** Sen. Blasdel made a substitute motion **OTHER PERSONAL SERVICES CHANGES, OVERTIME AND TERMINATION PAY OUTS AS A ONE-TIME-ONLY BIENNIAL RESTRICTED APPROBATION.**

Discussion:

00:51:24 Kris Wilkinson, LFD

00:51:43 Chairman Osmundson

00:51:51 Kris Wilkinson, LFD

00:51:54 Without objection, Sen. Taylor withdrew her motion.

00:52:00 Without objection, Sen. Blasdel withdrew his motion.

00:52:06 **Motion/Vote:** Sen. Taylor moved **OTHER PERSONAL SERVICES CHANGES UNDER PROGRAM 3 UNDER DEPARTMENT OF REVENUE.** Motion carried unanimously by voice vote.

00:52:20 **Motion:** Sen. Taylor moved **OVERTIME AND TERMINATION PAY OUTS AS BIENNIAL ONE-TIME-ONLY RESTRICTED.**

00:53:07 Without objection, Sen. Taylor withdrew her motion.

00:53:17 Sen. Phillips

00:53:33 **Motion/Vote:** Sen. Blasdel moved **OVERTIME AND TERMINATION PAY OUTS AS ONE-TIME-ONLY BIENNIAL RESTRICTED APPROPRIATION.** Motion carried unanimously by voice vote.

00:54:05 Chairman Osmundson

00:54:16 **Motion/Vote:** Sen. Taylor moved **OPERATING COST ADJUSTMENTS UNDER PROGRAM 5 IN DEPARTMENT OF REVENUE ALL THREE FUNDING SOURCES.** Motion carried unanimously by voice vote.

00:54:35 **Motion/Vote:** Rep. McCarthy moved **OTHER PERSONAL SERVICES CHANGES UNDER PROGRAM 5 IN THE DEPARTMENT OF REVENUE ALL THREE FUNDING SOURCES.** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.

00:55:27 **Motion/Vote:** Sen. Taylor moved **TO REDUCE HAIL INSURANCE UNDER PROGRAM 5 IN THE DEPARTMENT OF REVENUE.** Motion carried unanimously by voice vote.

00:55:41 **Motion/Vote:** Rep. McCarthy moved **RENT INCREASES IN UNDER PROGRAM 5 IN THE DEPARTMENT OF REVENUE.** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.

00:56:27 Chairman Osmundson

00:56:39 **Motion:** Rep. McCarthy moved **FUNDING OF APPRENTICESHIP TAX CREDIT UNDER PROGRAM 7 IN THE DEPARTMENT OF REVENUE.**

Discussion:

00:57:31 Errolyn Lantz, OBPP
00:57:42 Chairman Osmundson
00:57:51 Kris Wilkinson, LFD
00:58:11 Sen. Phillips
00:58:35 Without objection, Rep. McCarthy withdrew his motion.
00:58:46 Sen. Phillips
00:58:53 Chairman Osmundson

00:59:22 **Motion/Vote:** Rep. McCarthy moved **FUNDING OF APPRENTICESHIP TAX CREDIT UNDER PROGRAM 7 IN THE DEPARTMENT OF REVENUE CONTINGENT ON PASSAGE OF HB 277.** Motion carried unanimously by voice vote.

00:59:48 Chairman Osmundson
01:00:06 Sam Schaefer, LFD
01:00:25 Rep. McCarthy
01:00:54 Errolyn Lantz, OBPP
01:01:17 Chairman Osmundson
01:01:29 Kris Wilkinson, LFD
01:01:40 Sen. Phillips
01:02:00 Kris Wilkinson, LFD
01:02:37 Errolyn Lantz, OBPP
01:02:52 Chairman Osmundson

01:03:11 **Motion/Vote:** Rep. McCarthy moved that **OPERATING COST ADJUSTMENTS UNDER PROGRAM 7 IN THE DEPARTMENT OF REVENUE ALL THREE FUNDING SOURCES.** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.

01:03:49 Chairman Osmundson

01:03:53 **Motion/Vote:** Rep. McCarthy moved **OTHER PERSONAL SERVICES CHANGES UNDER PROGRAM 7 IN THE DEPARTMENT OF REVENUE ALL THREE FUNDING SOURCES.** Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.

01:04:30 Chairman Osmundson

01:04:38 **Motion/Vote:** Sen. Taylor moved **HAIL INSURANCE REDUCTION UNDER PROGRAM 8 IN THE DEPARTMENT OF REVENUE.** Motion carried unanimously by voice vote.

01:05:04 Chairman Osmundson

01:05:09 **Motion/Vote:** Rep. McCarthy moved that **OPERATING COST ADJUSTMENTS UNDER PROGRAM 8 IN THE DEPARTMENT OF REVENUE BOTH FUND TYPES**. Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.

01:05:49 **Motion/Vote:** Sen. Taylor moved **OTHER PERSONAL SERVICES CHANGES UNDER PROGRAM 8 IN THE DEPARTMENT OF REVENUE BOTH FUNDING TYPES**. Motion carried unanimously by voice vote.

01:06:07 **Motion/Vote:** Rep. McCarthy moved **RENT AND PARKING INCREASES UNDER PROGRAM 8 IN THE DEPARTMENT OF REVENUE**. Motion failed 2-4 by roll call vote with Rep. McCarthy and Sen. Phillips voting aye.

01:06:55 Chairman Osmundson
01:07:01 Sam Schaeffer, LFD
01:07:50 Chairman Osmundson
01:07:54 Sam Schaeffer, LFD
01:08:45 Chairman Osmundson

01:08:51 **Motion:** Sen. Taylor moved **TO APPROVE THE REQUESTED RATE FOR INTERNAL SERVICES FUNDS UP TO 5%**.

[EXHIBIT\(jgh33a01\)](#)

Discussion:

01:08:58 Kris Wilkinson, LFD

01:09:02 **Vote:** Motion carried unanimously by voice vote.

01:09:27 Sam Schaeffer, LFD
01:09:33 Errolyn Lantz, OBPP
01:10:04 Sen. Taylor
01:10:29 Errolyn Lantz, OBPP
01:10:47 Chairman Osmundson
01:10:51 Sen. Taylor
01:11:12 Chairman Osmundson
01:11:30 Sen. Phillips
01:11:52 Chairman Osmundson
01:11:56 Kris Wilkinson, LFD

ADJOURNMENT

Adjournment: 01:12:43

Phoebe Williams, Secretary

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Additional Documents:

EXHIBIT([jgh33aad.pdf](#))